

 Early Warning System

EBRD-55511

Construction of Matesevo-Andrijevisa Section



Quick Facts

Countries	Montenegro
Specific Location	Bar-Boljare Highway (Matesevo - Andrijevisa section)
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	A
Voting Date	2025-07-09
Borrower	Government of Montenegro - Monteput Doo
Sectors	Law and Government, Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 215.75 million
Project Cost (USD)	\$ 642.93 million



Project Description

According to the Bank's website, the project consists of the provision of a tranching sovereign loan in the amount of up to EUR250 million to the state of Montenegro, represented by the Ministry of Finance, for the benefit of Monteput, the state-owned enterprise, responsible for the construction, maintenance and operation of Montenegro's highway, motorways and the Sozina tunnel. The loan will finance the construction of the Matesevo - Andrijevisa section, approximately 22 km in length of the Bar - Boljare Highway. The Project will be implemented in accordance with Yellow FIDIC contract terms, under a 'Design and Build' contract.

The Project is complex due to the challenging mountainous terrain from Matesevo (at an altitude of approximately 1,060 m) to Andrijevisa (at an altitude of around 780 m).

The Project is expected to be co-financed with investment grants provided by the European Union ("EU").

The Project will support the development of the Bar - Boljare Highway, which is a strategic priority for Montenegro. The Bar-Boljare Highway is part of Route 4 of the Core Network of the Western Balkans and has been established as an indicative extension of the Trans-European Transport Networks ("TEN-T"). The Project will support Montenegro's economic development and contribute to the country's regional integration by improving connectivity of Podgorica and coastal area on one side and northern part of the country and neighbouring Serbia and Central Europe, on the other. The Bar - Boljare Highway is of utmost importance for Montenegro and the Western Balkans as it aims to establish a vital transportation route connecting the Port of Bar with Podgorica and further extending it to the Serbian border and Belgrade. This highway is set to act as a pivotal infrastructure component providing efficient connectivity between major cities and key transport hubs in the region while offering diverse transportation options.



Early Warning System Project Analysis

Categorised A (ESP 2019).

There were several written comments registered from the public prior the 120 days period, flagging their discontent for changing the initial highway route and the biodiversity impact that this change will have on Krastica and Lim River. The Project area is in the eastern part of Montenegro, bordered by the Bjelasica mountains to the north and the Komovi mountains to the south. It stretches in an east-west direction and mainly follows the valley of the Krastica River, along with its tributaries (Rajoviia Potok, Dubokalj, Novoviia Potok, Prisojaiki Potok, Duraiki Potok, Gnjili Potok), all of which flow into the Lim River near Andrijeva.

Habitat analyses have identified 14 habitats of the NATURA 2000 network, which are of greater importance, as well as orchards that occur in the villages from Kralja to Sitna Luka. All examined habitats are included in Resolution 4 (and the Annex I of the Habitat Directive). None is considered an IUCN EN or CR ecosystem. Therefore, all habitats are determined as PBF, while no habitat is characterized as critical according to non-EU states criteria. However, it is noted that the habitat 91E0 - Alluvial forests with *Alnus glutinosa* and *Fraxinus excelsior* is priority habitat type, according to the Habitat Directive. Based on the above, the PR6 requirements apply for all the habitats in the area.

The ESIA already included a broad range of biodiversity impact mitigation measures, which have been subject of consultation with the regulatory authorities and CSO's as part of the ESIA disclosure process.

The ESIA included social mitigation measures to respond to impacts associated with the construction workforce, including adherence to HR policies in line with PR2, a Recruitment Plan to maximise hiring near the project and a Code of Conduct to minimise disruption to local communities, which includes aspects that help identify and reduce the potential for gender-based violence and harassment. A Project-level workers' grievance mechanism will aim to cover all direct contractors and subcontractors.

General risks associated with road construction will be managed through the development of a Community Health & Safety Plan, Emergency Preparedness and Response Plan, Infrastructure and Utilities Management Plan and construction Traffic Management Plan.

The Project and its ancillary infrastructure are associated with physical displacement of people and structures. The change physical displacement impacts ten structures (four for permanent residence and six for seasonal use). Physical displacement shall be further investigated during the detailed design to apply commensurate technical protection measures in consultation with the project affected persons (PAPs) or expropriated at the owners' request. To mitigate these risks, a standalone Land Acquisition and Resettlement Framework (LARF) has been developed commensurate to the magnitude and scale of impacts stemming from the project land and resettlement needs. The LARF will be further developed into an actionable and public Land Acquisition and Resettlement Plan that aims to demonstrate compliance with PR5 and completed prior to any construction works taking place. The Bank will monitor the implementation of this, through appointment of a Lender Environmental and Social Adviser (LESA).

No cultural heritage impacts have been identified during the ESIA, but the risk of any impacts on undiscovered cultural heritage from construction will be managed with a chance finds procedure.

A Stakeholder Engagement Plan (SEP) has been developed for the Project, which describes the completed and planned stakeholder consultation activities, as well as a community grievance mechanism to ensure that any concerns and complaints are documented and reported.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

EUR 200,000,000 sovereign loan to be provided in two tranches.

The Project is expected to be co-financed, EU investment grant and the Government of Montenegro Budget.



Private Actors Description

The borrower is Montenegro represented by the Ministry of Finance. The client is Monteput, who will be implementing the Project in cooperation with the Ministry of Transport who has overall responsibility for the transport policy and strategy in the country.

Monteput is a government organization responsible for managing and maintaining highways in Montenegro.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Monteput D.o.o.	Client	-



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [PSD Translation \(Montenegrin\)](#)