Early Warning System

WB-P509405

MONTENEGRO FINANCIAL INFRASTRUCTURE MODERNIZATION AND ITS ALIGNMENT WITH SEPA STANDARDS PROJECT (TIPS CLONE PROJECT)

Quick Facts

Countries	Montenegro
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-07-28
Borrower	Government of Montenegro - Central Bank of Montenegro
Sectors	Communications, Finance, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 9.20 million
Project Cost (USD)	$ 12.65 million

Project Description

According to the Bank’s website, the Project's development objective is to help achieve faster, more efficient, and inclusive digital payments in Montenegro.

Modern payment systems, which ensure that money flows smoothly between the parties involved, are essential for achieving sustainable economic growth. At a domestic level, they can promote financial inclusion, reduce cash usage, expand payment products and services, and drive the development of financial technology. Furthermore, at a cross-border level, these systems can foster interoperability and reduce the cost and transaction time of trade and remittances.

The Government of Montenegro aims to modernize payment systems through the improvement of the legal and regulatory framework and the modernization of financial infrastructure. While the authorities have pushed for the alignment of their legal and regulatory framework with the EU, including through the ongoing World Bank technical assistance activities, the modernization of domestic payments infrastructure remains unfinished. The Project supports authorities in the implementation and operationalization of a Fast Payment System infrastructure.

The proposed Project will have two components, namely: (i) Providing technical assistance for setting up a new payment system and developing the broader payments ecosystem; (ii) Supporting the implementation and operation of the new payment system. In addition, the Project will entail a third component related to project management.

Early Warning System Project Analysis

The Project’s Environmental Risk is currently rated as **low**. The Project, at this stage, does not include any activities that may have a physical footprint or have any significant direct or indirect environmental impacts. The investments in Component 2 include the purchase of new IT hardware and the potential replacement of old equipment with the new one. Since the Project will procure IT equipment, risks associated with the potential generation of waste from electric and electronic equipment - WEEE (broken, discarded, end-of-life use) are expected. Many electronic components contain lead, mercury, and other harmful substances that require specialized disposal methods. If not handled correctly, it can lead to pollution, soil contamination, and toxic chemical exposure. In addition, enabling adequate installation and connection of IT equipment (servers, equipment, etc.), minor refurbishment works may be needed that can cause OHS risks (slips, trips, and falls), excessive dust and noise generation, risks of shock or fire due to electrical hazards, etc. The exact quantities and specifications of the IT equipment to be procured, as well as the quantity and type of equipment that will potentially be replaced and disposed of as Waste from Electrical and Electronic Equipment (WEEE) are unknown. The risk will be reassessed and confirmed by Appraisal once more information becomes available.

The Project’s social risk at the concept stage is rated **low**, as activities focus on technical assistance and implementing core elements of the FPS, including software, hardware, and capacity building. Vulnerable groups include the elderly, rural populations, women, individuals with low or no digital literacy, and people with disabilities—particularly those with visual, hearing, or cognitive impairments. While the Project aims to promote financial inclusion, disparities in digital payment usage persist across age, education, and income levels. Without careful management, the Project risks unintentionally exacerbating these gaps.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 12.65 million

International Bank for Reconstruction and Development (IBRD): US$ 9.20 million

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - NextGenPay: Modernizing domestic and cros
- Appraisal Project Information Document (PID)
- Climate Finance Assessment (P509405)
- Concept Environmental and Social Review Summary (ESRS) - NextGenPay: Modernizing domestic and cross-
- Concept Project Information Document (PID)
- Disclosable Version of the ISR - MONTENEGRO FINANCIAL INFRASTRUCTURE MODERNIZATION AND ITS ALIGNMENT
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- Environmental and Social Commitment Plan (ESCP) - NextGenPay: Modernizing domestic and cross-border
- Environmental and Social Commitment Plan (ESCP) MONTENEGRO FINANCIAL INFRASTRUCTURE MODERNIZATION AN
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- Montenegro - EUROPE AND CENTRAL ASIA- P509405- MONTENEGRO FINANCIAL INFRASTRUCTURE MODERNIZATION AND
- Montenegro - Financial Infrastructure Modernization and its Alignment with Single Euro Payments Area
- Official Documents- Disbursement and Financial Information Letter for Loan 9858-ME.pdf
- Official Documents- Loan Agreement for Loan 9858-ME.pdf
- Official Documents- Project Agreement for Loan 9858-ME.pdf
- Stakeholder Engagement Plan (SEP) - NextGenPay: Modernizing domestic and cross-border payments in Mo

Media

- Cheaper and Faster Payments: SEPA Opens New Horizons for the Western Balkans