Early Warning System

WB-P509681

Montenegro Second Resilient Fiscal and Sustainable Development Policy-Based Guarantee

Quick Facts

Countries	Montenegro
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-11-09
Borrower	Government of Montenegro - Ministry of Finance
Sectors	Finance, Law and Government
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 447.64 million
Project Cost (USD)	$ 471.20 million

Project Description

According to the Bank’s website, the program development objective is to support the Government of Montenegro to: (i) strengthen fiscal sustainability and (ii) enable sustainable development.

The proposed €160 million Policy-Based Guarantee (PBG) supports the authorities’ efforts to strengthen fiscal sustainability, enhance public-sector governance, and promote resilient, sustainable growth. The operation reinforces reforms that broaden the tax base, contain expenditure pressures, and institutionalize fiscal oversight through a new fiscal council, while also advancing the circular economy, climate resilience, and renewable energy development. By combining IBRD and MIGA guarantees to mobilize commercial financing—the first such blended guarantee in the ECA region—the operation helps smooth Montenegro’s debt-repayment profile while reducing refinancing risks, strengthening investor confidence, and helping lower borrowing costs.

Early Warning System Project Analysis

The overall risk for this operation is **moderate**. Institutional capacity risks are substantial due to reform complexity and limited administrative capacity. All other risk categories are rated either moderate or low. Macroeconomic risk remains moderate given the uncertain global environment but is mitigated by the reforms supported through this PBG, which strengthens the revenue base, improve fiscal-risk management, and enhance the resilience of public finances.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 471.20 million

Total World Bank Group Financing: US$ 447.64 million

Coverage: Loan Guarantee

Contact Information

World Bank

Bledi Celiku - Senior Economist

Borrower/Client/Recipient

Ministry of Finance

Implementing Agencies

Ministry of Finance

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

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Bank Documents

- Appraisal Program Information Document (PID)
- Concept Program Information Document (PID)