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*Peer Learning Workshop
Public Sector Staffing and Digitalization for Public Infrastructure Investment Results*

Digitalizing the PIM in Montenegro for Better Performance

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The PIM Cycle



- Standardizes Montenegro's public investment process
- Ensures transparency, fiscal discipline, and strategic alignment



The PIM Cycle

1. Strategic Planning & Identification
2. Appraisal & Selection
3. Budgeting & Medium-Term Programming
4. Implementation & Procurement
5. Monitoring & Evaluation
6. Asset Management & Maintenance

Strategic Planning & Identification



- **Purpose:** Ensure only well-prepared, strategically relevant projects enter the capital budgeting pipeline.

Key actors: Ministry of Finance (MoF), Capital Budget Implementation Units, project proposers.

Process:

- MoF issues annual budget call, provide instructions and templates Capital Budget Implementation Units coordinates with other units to prepare proposals
- Proposals submitted using the Capital Project Application Form
- Required documents include: application form, technical designs, permits, CBA (mandatory over €5m), proof of land ownership, readiness checklist, and cross-cutting assessments.
- Projects must pass a basic screening: strategic alignment, documentation readiness, fiscal impact.

Appraisal & Selection



Purpose: Evaluation and selection ensure that the most relevant and mature projects are prioritized for financing.

Key actors: Project Assessment Commission, MoF, experts, Public Investment Council

Process:

- Eligibility check- Filter out incomplete or unfeasible projects
- Commission ranks and submits the Priority Project List to MoF to The Public Investment Council.
- The Council, within its competencies, reviews the submitted Priority Projects List and based on it adopts the Proposal of the final list of projects for financing from the capital budget.
- MoF prepares Final List for funding and submit it to the Government for adoption.
- Government may add projects of national importance, PPPs, defense, and IPA-funded projects.

Budgeting & Medium-Term Programming



Purpose: Ensure capital projects fit within fiscal limits and MTBF.

Key actors: MoF, Government, Parliament.

Process:

- Medium-term estimates submitted (May).
- Detailed budget requests (September).
- Integration into draft budget (Sept–Oct).
- Government proposes and Parliament adopts final State budget (Nov–Dec).
- Projects must demonstrate readiness, realistic cost projections, and sustainable operation/maintenance costs.

Implementation & Procurement



Purpose: Deliver projects transparently, on time, and within budget.

- MoF monitors execution; verifies budget availability, and approves variations above 10% threshold.
- Tools: BMIS Implementation Module tracks financial and physical progress.
- The Public Procurement Department in the MoF oversees compliance with the Public Procurement Law, provides guidance, training and control mechanisms.
- Contractors and Suppliers deliver works, goods, and services in line with signed contracts.



Monitoring, Evaluation & Closure

Purpose: Ensure funds are used efficiently and objectives achieved.

Project closure provides a final review of outputs and integrates completed assets into the public asset register

Process:

- MoF prepare Quarterly reports using data from BMIS
- Mid-year & annual portfolio reviews
- Final report & asset registration by Real Estate Administration
- Ex-post evaluation after 3 years

Asset Management & Maintenance



Purpose: Preserve long-term value of public assets after project completion.

Key actors: Budget users, State Estate Administration, MoF.

- **Budget Spending Units** Take ownership of completed assets; prepare and implement operation and maintenance plans; allocate ongoing funding; ensure the provision of public services.
- **Capital Budget Implementation Unit:** Verifies closure documentation and ensures project financing within the legal deadline.
- **Real Estate Administration:** ensures that property is registered; monitors fulfilment of responsibilities related to operation and maintenance.
- **State Budget Directorate (within MoF):** Oversees fiscal implications of maintenance and ensures recurrent costs are integrated into the MTBF.
- **Contractors (warranty period):** Provide corrective maintenance as stipulated in contracts.

What do we do to strengthen Montenegrin appraisal framework and capacities in PIM?



Appraisal Framework (developed with the World Bank):

- Minimum Content Requirements for Feasibility Studies
- Project Appraisal Methodological Guidance

Legal and Procedural Framework (in coordination with WB)

- Government Decision on Preparation of the Capital Budget (DCB)
- Scoring Criteria for Capital Projects financed from the Capital Budget

Capacity Strengthening for the Appraisal Process (in cooperation with WB)

- Training curricula for central government institutions and municipalities
Training provided prior to the start of Budget 2027 preparation (January, February 2026)
- Training of Trainers integrated into the regular annual training program of the Human Resources Management Authority

How digitalisation can contribute to better PIM Montenegro?(1)



1. Create a single national PIM platform

- Integrates pipeline (Fiscal Strategy, DCB) and portfolio (BMIS)
- Ensures one source of truth for all capital projects
- Eliminates fragmented lists across institutions

2. Standardise and automate project appraisal

- Digital project submission with mandatory DCB documentation
- Automatic scoring aligned with DCB criteria
- Built-in validation (CBA, design revision, expropriation status)

3. Improve monitoring of the capital budget

- Real-time updates from implementing entities
- Automated progress dashboards for MoF (DG for PIM)
- Alerts for delays, cost overruns and contract variations

How digitalisation can contribute to better PIM Montenegro?(2)



4. Strengthen transparency and accountability

- Public-facing portal with approved projects, scores and financing
- Clear status tracking from concept → appraisal → selection → implementation

5. Support evidence-based decision making

- Integrated database linking financial execution, CBA results, and project risks
- Enables MoF to prioritise based on readiness, impact and affordability
- Facilitates annual capital budgeting and mid-term planning

Thank you for your attention!

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