On the basis of Article 29 of the Law on Budget and Fiscal Responsibility ("Official Gazette of Montenegro", no. 20/14, 56/14, 70/17, 55/18, 70/21, 27/23 and 125/23), the Government of Montenegro, on December 30, 2025, without holding a session, based on the obtained consent of the majority of the members of the Government, adopted

Decision on the preparation of the capital budget

The decision was published in the "Official Gazette of Montenegro", No. 1/2026 of 5.1.2026, and entered into force on 13.1.2026.

Case

Article 1

This decision prescribes the preparation of the capital budget, determination and evaluation of criteria for the selection of capital projects, the method and procedure for selecting capital projects.

Capital budget preparation

Article 2

The preparation of the capital budget includes the preparation and planning of expenditures for the realization of capital projects selected in accordance with the criteria established by this decision.

Implementation of capital projects included in the capital budget of the state is carried out by capital implementation units budget, that is, the state administration body responsible for capital projects and the administration body responsible for traffic affairs.

Capital project

Article 3

The following are considered capital projects from Article 2 of this

decision: - preparation of technical and project

documentation; - purchase of a location or provision of land through the expropriation procedure for construction purposes;

- construction of public infrastructure facilities and communal infrastructure facilities of interest to Montenegro; - procurement

of capital equipment whose service life, i.e. use, is longer than five years and/or which due to value, implementation period or other technological specificities cannot be found in the current budget of the proposer, and whose procurement is necessary for the smooth functioning or improvement of individual functional units;

- reconstruction and adaptation for the purpose of renovation and improvement of existing public infrastructure facilities and communal infrastructure facilities.

Contents of a capital project

Article 4

A project can be proposed for financing from the capital budget if, in accordance with the subject of the project, the project the documentation

contains: 1) a detailed description of the project that contains the basic characteristics and planned

activities: a) the preparation phase, which includes activities on securing land or purchasing a location for construction, creating and revising technical and project documentation and obtaining the necessary conditions, consents and permits, i.e. activities necessary to create the conditions for the start of the construction of facilities and communal infrastructure facilities of interest to the Black Goru, as well as for the procurement

of equipment; b) the implementation phase, which includes activities for the construction of new buildings and communal infrastructure facilities of interest to Montenegro, reconstruction and adaptation in order to restore and improve existing facilities and communal infrastructure facilities, including carrying out expert supervision over the performance of works and activities for obtaining prescribed permits, as well as activities for the procurement and maintenance of equipment; 2) sources of project financing, which contain receipts by types

from which funds are provided for implementation capital projects;

3) the effect on the current budget, which shows the impact of construction on changes in the current budget and budget income during the period the entire project life cycle;

4) for projects whose total investment value exceeds 5,000,000 euros, a feasibility study is mandatory, which in particular includes: technical and ecological analysis, economic and financial analysis of total costs and expected benefits from the project

(Cost-benefit analysis), as well as other capital project solutions.

Methodology for the assessment of capital projects, which contains guidelines for the preparation of studies and analyzes from paragraph 1 item 4 of this member is given in Annex 1.

Basic conditions for proposing projects for the capital budget

Article 5

For financing from the Capital Budget, a project can be proposed that meets all the following conditions, namely that: 1) it is foreseen by the development strategy or other strategic document adopted by the Parliament of Montenegro and/or the Government of Montenegro (hereinafter: the Government), and/or an integral part of the Reform Agenda and the Growth Plan, the goals of sustainable development from the Agenda of the United Nations for sustainable development and/or the strategic development plan of the local unit only;

2) has resolved the issue of urban planning and technical conditions in the form of adopted planning documentation or otherwise in accordance with the law regulating spatial planning and the law regulating the construction of buildings; 3) has made an assessment of the effects on the budget; 4) has prepared a justification study, total costs and expected benefits from the project (Cost-benefit analysis), for projects whose estimated value is greater than 5,000,000 euros; 5) has regulated property-legal relations, unless expropriation is stipulated by the project as an obligation of the state; 6) prepared and revised the main project in accordance with the law for projects of construction, reconstruction and adaptation of public infrastructure, if the proposer is a local self-government unit; 7) contributes to the improvement of the socio-economic environment.

Additional conditions for proposing projects for the capital budget

Article 6

For funding from the capital budget, a project may be proposed which, in addition to the conditions from Article 5 of this decision, also meets at least one of the following conditions, namely: 1) preparation of project documentation and other documentation from the Methodological guidelines from Article 4, paragraph 2 of this decision exceed the amount of 100,000 euros; 2) that multi-year financing of the construction of one or more buildings creates additional space of 200 m² or more; 3) the costs of expropriation of land and procurement of capital equipment exceed the amount of 200,000 euros; 4) the costs of building public infrastructure facilities and communal infrastructure facilities exceed the amount of EUR 400,000; 5) costs of reconstruction and adaptation in order to preserve, maintain and improve the existing communal infrastructure or facilities exceed 500,000 euros.

During the current fiscal year, and in accordance with this decision, consumer units submit to the Ministry of Finance data for all capital projects that do not meet any of the conditions from paragraph 1 of this article, so that, depending on the availability of fiscal space, they may be considered for possible financing from the funds allocated by the annual budget law to capital budget implementation units.

Capital project proposal application

Article 7

Consumer units propose projects or parts of projects that meet the requirements of Art. 3 to 6 of this decision, for inclusion in the capital budget, submit the application given on Form 1.

In the application referred to in paragraph 1 of this article, the following must be specified in particular: 1) the name of the project holder, i.e. the investor (headquarters, contact information, first and last name of the responsible person and name of the person responsible for project coordination);

2) the name of the beneficiary of the investment (headquarters, contact information, name and surname of the responsible person and the name of the person responsible for project coordination);

3) description of the project, which includes in particular: name of the project, detailed description of the project, location, purpose, type of project (new building, reconstruction, renovation, continuation of the project if there was an interruption of implementation in a certain period of time), priority of the project for the proposer (the proposer ranks the submitted project proposals according to importance), the year of the start of the project implementation;

4) the total estimated value of the project shown individually for the preparation phase and the construction phase; 5) the estimated period of project realization shown individually for the preparation phase and the construction phase; 6) sources of financing (budget, loans, donations) and proposed implementation dynamics by year; 7) reasons for the implementation of the project with a detailed description of the purpose of the project; 8) expected benefits from project implementation; 9) assessment of possible consequences of non-implementation of the project, reconstruction or adaptation of existing facilities, ie partial implementation of the project; 10) assessment of the impact of climate change on the construction phase and further exploitation of the project;

11) project risk assessment; 12)

elements of the financial plan of the project, namely:

a) capital costs (in absolute amounts and percentages in relation to the value of the entire project) which include: costs of project phases, costs of regular project equipment, costs of special project equipment, other direct project costs, project management costs, total project costs,

b) operational costs broken down by category for the entire operational phase, c)

revenues (in absolute amounts and percentages in relation to the value of the entire project) with an estimate of revenues from fee for use during the entire operational phase, d) subsidies

from the state and/or local budget.

The proposal for the implementation of the activities from paragraph 2 of this decision is submitted to the Ministry of Finance and capital budget implementation units by the Project Evaluation Commission (hereinafter: the Commission), based on the submitted applications for capital project financing (hereinafter: the Application Form).

Consumer units are solely responsible for the accuracy of the data specified in the Application Forms, as well as for the validity and legality of other accompanying documentation.

Application form for capital project financing

Article 8

The application form for capital project financing is given on Form 1.

In January of the current year, the Ministry of Finance delivers to consumer units the application form with instructions for preparation and tabular presentation of financial receipts and expenditures, in electronic form or informs them about the availability of the same on its official website.

The consumer unit, which proposes projects for the capital budget, is obliged to submit the completed Application Form to the Ministry of Finance in accordance with the Law on Budget and Fiscal Responsibility, in electronic and written form, by the date of establishment of the electronic system of submitting projects.

Within 10 working days from the receipt of the application form and other documentation (if any), the Ministry of Finance checks the technical correctness and completeness of the complete documentation, and in case of incompleteness informs the consumer unit about the same electronically, which can resubmit the revised documentation to the Ministry of Finance in electronic and written form no later than 10 working days from the day of receipt of the notification for supplementing/correcting the documentation.

Criteria for evaluating proposed projects

Article 9

Projects are prioritized in a two-stage process, which consists of: a) checking

whether the project meets the requirements established in Art. 5 and 6 of this decision;

b) scoring qualitative criteria for contribution to the goals of public policy and fiscal sustainability: 1) that the

project is functionally connected with other capital projects; 2) contributes to improving

the functionality of existing facilities and increasing the quality of public service provision; 3) contributes to more balanced

regional development by encouraging the development of less developed local self-government units prescribed by the law governing regional development 4) contributes to the protection and valorization of cultural

heritage, the improvement of cultural and artistic creativity and creative industries, as well as strengthening cultural and national identity;

5) contributes to the elimination of risks to health, safety and property, including strengthening resistance to climate change; 6) contributes

to a positive impact on the environment, improving energy efficiency and reducing emissions with effect greenhouses;

7) encourages employment and reduces negative demographic trends; 8)

improves services in social and child protection by ensuring greater budgeting responsibility for children, contributes to the professional development of young

people; 9) contributes to greater gender equality;

10) extra-budgetary sources are provided for financing the project (donations or co-financing from the budget of local self-government units); 11) the impact

of the proposed project on the budget after implementation.

Scoring according to criteria

Article 10

Before scoring the project, its compliance with the minimum requirements established in Article 5 of this decision is checked, in such a way that each of the criteria is recorded as fulfilled/not fulfilled/not necessary, as well as with the criteria established in Article 6 of this decision by being recorded as yes/no.

The project is rejected and no scoring is done if it does not meet the requirements of Art. 5 and 6 of the decision.

Scoring for the project is done:

- binary (B) with multipliers 1 (yes) or 0 (no);
- based on a scale (S) with multipliers from -1 to +1.

Scoring according to the qualitative criteria from Article 9 of this decision is done as follows:

No.	Qualitative criteria	Corrective	Weight
1.	Functional connection with the existing capital project	5	B
2.	It contributes to improving the functionality of existing facilities and increasing the quality of provision public services	10	WITH
3.	It contributes to a more even regional development by encouraging the development of less developed local self-government units prescribed by the law governing regional development	10	WITH
4.	It contributes to the protection and valorization of cultural heritage, to the improvement of the cultural and artistic creativity and creative industries, as well as strengthening cultural and national identity	5	WITH
5.	It contributes to the elimination of risks to health, safety and property, including strengthening resilience to climate change	10	WITH
6.	It contributes to a positive impact on the environment, improving energy efficiency and reduction of greenhouse gas emissions	10	WITH
7.	It encourages employment and reduces negative demographic trends	10	WITH
8.	It improves services in social and child protection by ensuring greater responsibility budgeting for children, contributes to the development of young people;	5	WITH
9.	Contributes to greater gender equality	5	WITH
10.	Extra-budgetary sources were provided for project financing (donations or co-financing from local government budget)	20	WITH
11	Effect of the impact of the proposed project on the budget	10	B
	TOTAL 100		

The ranking of the proposed project is based on the total number of points.

The project with the highest score gets priority in implementation.

In the event that two or more projects of the same authorized proponent have the same number of points, they have priority in the ranking a project that is a higher priority for that proposer.

Corrective points according to criteria

Article 11

Based on the scoring from Article 10 of this decision, and according to the criteria from Article 11, paragraph 3 of this decision, the project is determined corrective points as follows:

1) functional connection with the existing capital project (already started in the capital budget of the state or completed and financed from the state budget):

- the implementation of the project supports the achievement of the goals of other projects - 1 point,
- project implementation does not support the achievement of the goals of other projects - 0 points;

2) contributes to improving the functionality of existing facilities and increasing the quality of public service provision:

- the project aims to achieve benefits in achieving the goals from this criterion - 1 point,
- the project indirectly supports or facilitates the achievement of benefits in achieving the goals from this criterion -0.5 points,
- the project does not show a relevant contribution to the achievement of benefits in achieving the goals from this criterion - 0 points;

3) contributes to more even regional development by encouraging the development of less developed local units self-governments prescribed by the law regulating regional development:

- the project aims to achieve benefits in achieving the goals from this criterion - 1 point,
- the project indirectly supports or facilitates the achievement of benefits in achieving the goals from this criterion - 0.5 points,
- the project does not show a relevant contribution to the achievement of benefits in achieving the goals from this criterion - 0 points;

4) contributes to the protection and valorization of cultural heritage, the improvement of cultural and artistic creativity and creative industries, as well as strengthening cultural and national identity:

- the project aims to achieve benefits in achieving the goals from this criterion - 1 point,
- the project indirectly supports or facilitates the achievement of benefits in achieving the goals from this criterion - 0.5 points,
- the project does not show a relevant contribution to the achievement of benefits in achieving the goals from this criterion - 0 points;

5) contributes to the elimination of risks to health, safety and property, including strengthening resistance to climate change:

- the project aims to achieve benefits in achieving the goals from this criterion - 1 point,
- the project indirectly supports or facilitates the achievement of benefits in achieving the goals from this criterion - 0.5 points,
- the project does not show a relevant contribution to the achievement of benefits in achieving the goals from this criterion - 1 point;

6) contributes to a positive impact on the environment, improving energy efficiency and reducing gas emissions with greenhouse effect:

- the project will have a positive impact on the environment, energy efficiency and will support the reduction of gas emissions with greenhouse effect (GHG) - 1 point,

- the project will have a positive impact on one of the three objectives and will be neutral in relation to the other two objectives from this criterion - 0.5 points, - the project will be neutral with regard to all three objectives from this criterion - 0 points, - the project will have a negative impact on one and no impact on the other two objectives from this criterion - 0.5 points, - the project will have a negative impact on all three objectives from this criterion - 1 point; 7) encourages employment and reduces negative demographic trends: - the project aims to achieve benefits in achieving both goals from this criterion - 1 point, - the project indirectly supports the achievement of benefits in achieving goals from this criterion or directly affects achieving at least one of the two goals from this criterion - 0.5 points,

- the project does not show a relevant contribution to the achievement of benefits in achieving the goals from this criterion - 0 points; 8) improves services in social and child protection by ensuring greater budgeting responsibility for children, contributes to the professional development of young people;:

- the project aims to achieve benefits in the achievement of the goals from this criterion - 1 point, - the project indirectly supports or facilitates the achievement of benefits in the achievement of the goals from this criterion - 0.5 points, - the project does not show a relevant contribution to the achievement of benefits in the achievement of the goals from this criterion - 0 points; 9) contributes to greater gender equality: - the project is gender sensitive - 1 point, - the project is gender neutral - 0 points, - the project is gender negative - 1 point;

10) extra-budgetary sources are provided for financing the project (donations or co-financing from the local government budget): - extra-budgetary sources provided (expressed as a percentage of financing) - 1 point x percentage, - extra-budgetary sources are not provided - 0 points; The final results (1 point * * 20) will be rounded to the nearest whole point. percentage 11) the impact of the proposed project on the budget: - the project is financially viable - 1 point, - the project is not financially viable - 0 points.

If it turns out that the project has a negative impact on only one of the aspects evaluated according to the criteria from paragraph 1 of this article, the Commission can reject the project proposal.

In case the project has a negative impact according to at least two criteria from paragraph 1 of this article, the project is automatically rejected and no further scoring is performed.

The total number of points for each of the mentioned criteria from paragraph 1 of this article is obtained by multiplying the weighted i corrective point, while the overall project grade is obtained by adding up the total points of all 11 criteria.

Preparing a List of Proposed Projects

Article 12

Based on the submitted application form and accompanying documentation, if any, the Ministry of Finance compiles the List proposed projects in accordance with this decision.

The Ministry of Finance submits the list from paragraph 1 of this article to the Commission no later than June 1 of the current year for inclusion in the capital budget for the next fiscal year.

Appointment and method of work of the Project Evaluation Commission

Article 13

The Ministry of Finance proposes the president, deputy and two members of the Commission, the state administration body responsible for capital projects of two members and the administrative body responsible for traffic affairs of one member.

Administrative tasks for the needs of the Commission are carried out by the Ministry of Finance, and tasks of control and correctness of the technical documentation of capital projects are carried out by the competent state bodies at the request of the Commission, depending on the type of project.

The President of the Commission convenes and conducts the sessions of the Commission, signs the minutes and submits to the Ministry of Finance the Report on the work of the Commission for the current year with a proposal for the list of evaluated capital projects, determined by a simple majority of the total number of Commission members.

Until the submission of the report on the work, the Commission may ask the proposer of the application form to supplement the documentation if it deems it appropriate that there is a need for it.

The commission will analyze the feasibility study in case it is requested.

Each evaluated project, which meets the criteria from Art. 5 and 6 of this decision must be signed by a simple majority of of the total number of Commission members on the project evaluation form given on Form 2.

In the event that the President of the Commission is unable to work, his duties shall be taken over by the Deputy.

Determining the list of projects for inclusion in the capital budget of the state

Article 14

The Commission, by evaluating the criteria from Art. 9 to 12 of this decision prepares a proposal for the List of evaluated capital projects, no later than September 1 of the current year for the next fiscal year.

The proposal of the list of priority capital projects, in accordance with the guidelines of macroeconomic and fiscal policy for the medium term, is submitted by the Ministry of Finance to the Government for consideration and adoption, no later than October 1 of the current year, for the next fiscal year.

Exceptionally from paragraph 2 of this article, in accordance with the stated priorities of consumer units, the Government can establish a List of projects of exceptional importance for the state, which contains projects whose estimated value is over 5,000,000 euros and if they meet the condition from article 5, paragraph 1, point 7 of this decision.

At the proposal of the Ministry of Finance, the Council for Public Investments considers projects whose estimated value is greater than 5,000,000 euros and makes the final decision on including them in the Capital Budget.

The projects that were proposed after the Commission submitted the Work Report will be considered by the Commission in during the next fiscal year in accordance with the procedures of this decision.

Report on the realization of capital projects

Article 15

The state administration body responsible for capital projects and the administration body responsible for traffic issues submit a report on the realization of capital projects in their area of competence to the Ministry of Finance, at least once a month, and if necessary more often, on a special electronic form in the unified information system.

The Ministry of Finance informs the Government about the semi-annual implementation of the Capital Budget, and more often at the request of the Government or the Assembly.

Projects not subject to evaluation

Article 16

Projects whose implementation began in the previous period, that is, which are recognized by the annual Budget Law for financing from the capital budget, are not subject to evaluation and assessment in accordance with this decision and have priority in implementation.

Projects that are implemented in accordance with the Law on Capitals ("Official Gazette of Montenegro", number 51/17), projects that are co-financed from EU donations and specially contracted loans, as well as public-private partnership projects are not subject to evaluation or evaluation in accordance with this decision.

The Ministry of Finance can include projects proposed by the Ministry of Defense in the proposal of the Capital Budget, in order to meet the NATO standards for reaching the annual minimum budget allocation for defense needs, as a percentage of the gross domestic product.

The Ministry of Finance, on the basis of the submitted Report on the implementation of capital projects, may exclude from the proposal of the annual budget law projects whose implementation has not been started within the legally stipulated period due to non-fulfillment of the conditions from Article 5 of this decision.

Attachment and forms

Article 17

Annex 1 and Forms 1 and 2 form an integral part of this decision.

Expiration

Article 18

On the day this decision enters into force, the Decision on the preparation of the capital budget ceases to be valid ("Official Gazette of the Republic of Montenegro", number 36/24).

Entry into force

Article 19

This decision shall enter into force on the eighth day following its publication in the "Official Gazette of Montenegro".

Number: 11-011/25-5005

Podgorica, December 30, 2025

Government of Montenegro

President,

Milojko Spajiÿ, M.Sc., Sr

Annex 1 (Methodological guidelines for project evaluation)

Form 1 (Application form for capital budget financing)

Form 2 (Project evaluation form)

FORM 1

Application form for capital budget financing

BASIC INFORMATION ABOUT THE PROJECT HOLDER

Basic information about the authorized proposer

Authorized proposer: (name of budget spending unit)	
Address:	
Contact person information: Name and surname: Contact phone or email:	

Institution responsible for project implementation

(Public Works/Traffic Administration, local government unit in whose jurisdiction the relevant tasks are, etc.)

Institution name: (full name of the capital budget implementation unit)	

Institution responsible for the use and management of the project

(Name of the institution, local government unit or other public institution and company that will take over the use and management of the project upon completion of its financing from the state capital budget)

Institution name: (full name of the capital budget implementation unit)	

BASIC PROJECT INFORMATION

Project name

(The project title should be short and clear so that it reflects the meaning of the project)

PRIORITY OF THE PROPOSED PROJECT FOR THE AUTHORIZED PROPOSER:

(Enter the project number in relation to the total number of nominated projects, depending on the priority of the authorized proposer. Example: if 8 projects are nominated, and this project represents the proposer's second-ranked priority, enter 2/8. Enter the same analogy for other projects.)

PROJECT STATUS: ÿ New project ÿ Already started project

(If it is a project that has already begun and is an integral part of the Capital Budget for the current year, below, indicate only the changes in relation to the existing documentation, especially if there is a change in the dynamics of implementation and/ or value of the project, state the reasons and indicate possible negative impacts)

Location where the capital project is being implemented

Brief description of the project

(In brief, it is MANDATORY to elaborate the project through a brief description of the technical, technological and other elements of the proposed project, target groups, expected benefits and results, etc.)

Functional connection with other capital projects *(MANDATORY to indicate the connection of the project in question with other directly related projects from the State Capital Budget, which have been completed or whose financing is in progress.)*

Reasons for implementing the project

(MUST state what needs are met by the project, what the consequences are if the project is not implemented, as well as the specific problems that the project should solve.)

Assessment of the impact of climate change on the construction and further exploitation phases of the project

(MUST explain the impact of climate change both on the construction phase and in further exploitation.)

LINK TO STRATEGIC DOCUMENTS

Strategic relevance

Rb	Title of the STRATEGY OR documents provided for in Article 5 of the decision on the development of the capital budget	Link to document *(Indicate the link to the listed documents, specifying the segment of the document – label/ section/ chapter)*
1.		
2.		
3.		

Sector in which the project is being implemented

(Example: local infrastructure, education, culture, tourism, sports, healthcare, social services, ecology, etc.)

Significance of the project

ÿ National ÿ Regional ÿ Local

(Briefly explain why the project is of national, regional or local importance)

CONTRIBUTION TO THE PROJECT

Contributes to improving the socio-economic environment

ÿ Positive impact ÿ No impact ÿ Negative impact

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

Improving the functionality of existing facilities and providing services

ÿ Positive impact ÿ No impact ÿ Negative impact

(MANDATORY to explain how the project in question contributes to improving the functionality of existing buildings and/ or contributes to improving the quality of service provision.)

More balanced regional and economic development by encouraging the development of less developed local government units

ÿ Positive impact ÿ No impact ÿ Negative impact

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

Protection and valorization of cultural heritage, promotion of cultural and artistic creativity and creative industries, as well as strengthening cultural and national identity

ÿ Positive impact ÿ No impact ÿ Negative impact

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

Eliminating risks to health, safety and property, including strengthening resilience to climate change

ÿ Positive impact ÿ No impact ÿ Negative impact

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

Impact on the environment, improving energy efficiency and reducing greenhouse gas emissions

ÿ Positive impact ÿ No impact ÿ Negative impact

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

Stimulates employment and reduces negative demographic trends

ÿ Yes ÿ Yes

*(If the answer is **Yes,** it is MANDATORY to explain how it encourages employment and reduces negative demographic trends. State qualitative and quantitative parameters).*

Improves social and child protection services by ensuring greater budgeting responsibility for children, contributes to the development of young people

ÿ Yes ÿ Yes

*(If the answer is **Yes,** it is MANDATORY to explain how it encourages employment and reduces negative demographic trends. State qualitative and quantitative parameters).*

It contributes to greater gender equality

ÿ Gender sensitive ÿ Gender neutral ÿ Gender negative

(For the selected option, provide a MANDATORY explanation in the following field and state qualitative and quantitative parameters. Attach supporting documentation justifying the statements.)

DOCUMENTATION STATUS

Has a feasibility study been prepared, including total costs and expected benefits from the project (Cost-benefit analysis)?

ÿ Yes ÿ No *If the answer is* ÿ Not required

Yes, *attach the aforementioned study and MANDATORY submit a short summary presenting the key conclusions of the study, with basic technical and economic parameters.*

If a feasibility study is required and has not yet been completed, it is MANDATORY to explain the reasons for not meeting this requirement and how it will be met.

If a feasibility study is not required, it is MANDATORY to explain in accordance with which regulation (e.g. for projects whose estimated value is less than 5,000,000 euros)

Has an Environmental Impact Study been prepared?

ÿ Yes ÿ No ÿ Not required *If the answer is* ***Yes,*** *attach the cited study and present the key conclusions from the study.*

If an environmental impact study is required and has not yet been completed, it is MANDATORY to explain the reasons for not meeting this requirement and how it will be met.

If an environmental impact study is not required, it is MANDATORY to explain the basis.

Does it have a valid building permit/approval for the work?

ÿ Yes ÿ No *If the answer is* ÿ Not required

Yes, *it is MANDATORY to attach supporting documentation that justifies the allegations.*

If the answer is ***No*** *or* ***Not necessary,*** *it is MANDATORY to explain the reasons.*

Has the main project been developed and revised?

ÿ Yes ÿ No *If the answer is* ÿ Not required

Yes, *it is MANDATORY to attach supporting documentation that justifies the allegations.*

If the answer is ***No*** *or* ***Not necessary,*** *it is MANDATORY to explain the reasons.*

Has the planning documentation been developed and adopted?

ÿ Yes ÿ No *If the answer is* ÿ Not required

Yes, *it is MANDATORY to attach supporting documentation that justifies the allegations.*

If the answer is ***No*** *or* ***Not necessary,*** *it is MANDATORY to explain the reasons.*

LAND/BUILDING FOR PROJECT IMPLEMENTATION

Is the land/building secured?

ÿ Yes ÿ Yes ÿ Not required

*If the answer is **Yes,** it is MANDATORY to attach supporting documentation that justifies the allegations.*
*If the answer is **No,** or **Not required,** please tick one or more of the boxes below.*

ÿ Declared in the public interest

ÿ No parcelization has been carried out

ÿ Adoption of decision on expropriation in progress

ÿ Compensation not paid

ÿ Other (explain the reasons why the land/facility was not provided)

Are there any obstacles to the implementation of the project, related to the acquisition of land/facilities?

ÿ Yes ÿ Yes

*If the answer is **Yes,** it is MANDATORY to state what the obstacles are.*

PROJECT DURATION

Expected start of project financing (state month and year of start)	
Expected completion of project financing (state month and year of completion)	

Official LOGO of the proposer
Institution name

ASSESSMENT OF RISK AND COST OF A CAPITAL PROJECT

Activity plan for the purpose of project implementation

The plan should not contain a detailed description of activities, but only an approximate time frame and estimated values.

(e.g. Preparation of conceptual design, development of the main project, tender procedures, obtaining permits, construction, furnishing of premises and other activities)

Rb	Activity	Beginning (month/year)	Completion (month/year)	Activity duration (in months)	Estimated costs
1	Enter the appropriate text.	Enter date	Enter date	Number of months	Enter value
2					
3					
4					
5					
6					
TOTAL					

Costs classified by funding sources

Number	Source	Estimated costs	Remark
1.	General budget revenues		
2.	Budgetary revenues		
3	Own income		
4.	Donations[11]		
5.	Credit arrangement – domestic loan[12] (name of creditor/credit institution)		
6.	Credit arrangement – foreign loan (name of creditor/credit institution)		
7.	EU Donation		

Assessment of the effects of the project's impact on the budget after implementation

It is MANDATORY to elaborate and quantify the potential fiscal effects of the capital project on the revenues and/ or expenditures of the state budget of Montenegro, after the project is implemented and put into operation. Provide an estimate of the costs of maintaining the facility and equipment after the facility is put into operation, the costs of personnel engagement necessary to achieve the functionality of the facility and an estimate of related costs, as well as an estimate of the expected revenues to be generated by using the project.

11 In the notes related to donations, state the conditions, if applicable.

12 In the notes related to domestic or foreign loans, specify the financing conditions for each financing instrument. (e.g.: grace period, maturity date, repayment schedule, interest rate, currency, required guarantees, costs, penalties) etc.)

State the identified potential financial risks (e.g. potential liabilities, cost overruns, penalties, guarantees, etc.) and how such risks can be mitigated (i.e. is there a risk management plan in place)?

List potential risks in project implementation?

List potential risks related to the public procurement process.

Is the proposed capital project being implemented under the public-private partnership model?

ÿ Yes *If* ÿ Yes

*the answer is **Yes,** it is MANDATORY to explain and attach supporting documentation (e.g. draft contract, planning documentation approved by the competent institution, etc.)*

Place and date **m.p.** **Name, surname and position of the responsible person of the Proposer**

FORM 2

Project evaluation form

Project name:

Project proponent: **Priority:**

Project beneficiary:

Compliance with the requirements set out in Article 5 of the Decision on the Development of a Capital Project	Fulfillment
Envisaged by a development strategy or other strategic document	
Has the issue of urban planning and technical conditions been resolved - planning documentation or other in accordance with the law	
Has a budget impact assessment prepared	
Has a feasibility study, total costs and expected benefits of the project prepared	
Has regulated property and legal relations	
Developed and revised the Main Project in accordance with the law	
Contributes to improving the socio-economic environment	

Compliance with the requirements set out in Article 6 of the Decision on the Development of a Capital Project	Yes/No
Preparation of project documentation and other documentation exceeding 100,000 euros	
Multi-year financing of construction creates additional space of 200 m2 or more	
The costs of purchasing a building or land and purchasing equipment exceed 200,000 euros.	
The costs of construction of public infrastructure facilities and communal infrastructure facilities are above 400,000 euros	
The costs of reconstruction and adaptation of existing utility infrastructure or facilities are above 500,000 euros	

Scoring according to qualitative criteria from Article 11 of the Decision	Ponder	Correction Points	
Functional connection with existing capital project	5		
Contributes to improving the functionality of existing facilities and increasing the quality of public service provision	10		
Contributes to more balanced regional development by encouraging the development of less developed local self-government units defined by the Law on Regional Development	10		
Contributes to the protection and valorization of cultural heritage, the promotion of cultural and artistic creativity and creative industries, as well as the strengthening of cultural and national identity	5		
Contributes to eliminating risks to health, safety and property, including strengthening resilience to climate change	10		
Contributes to a positive environmental impact, improving energy efficiency and reducing greenhouse gas emissions	10		
Stimulates employment and reduces negative demographic trends	10		
Improves social and child protection services by ensuring greater budgeting responsibility for children, contributes to the professional development of young people;	5		
Contributes to greater gender equality	5		
Extra-budgetary sources (donations or co-financing from the local government budget) have been provided for project financing.	20		
The effect of the proposed project on the budget	10		
		Total:	

EVALUATED (handwritten signature of the members of the Project Evaluation Commission):

President: ______________________________ **Deputy President:** __________________________________

member: _____________________________ **member:** _____________________________ **member:** ___________________________

member: _____________________________ **member:** _____________________________