

# CLIMATE SUPPORT FACILITY (CSF)

## Western Balkans Plus (WeBa+) Program



### MONTENEGRO COUNTRY BRIEF

The WeBa+ program has helped Montenegro advance its green transition by supporting renewable energy development, pollution and waste management, sustainable watershed management, development of the forest bioeconomy, and resilient coastal infrastructure. These efforts have strengthened institutional capacity, informed larger World Bank investments, and laid the groundwork for more resilient, low-carbon economic development.

The Western Balkans Plus (WeBa+) Program under the World Bank's Climate Support Facility (CSF) is exclusively supported by the Austrian Federal Ministry of Finance (BMF) and has the objective to advance climate and green growth priorities in the Western Balkans and other countries in Europe and Central Asia. Since its inception in December 2020, the WeBa+ Program supported 41 grants representing a total commitment of US\$ 8.8M. By being linked to World Bank lending, Program funding supports critical phases of operational readiness including upstream analysis, design, implementation and monitoring and evaluation. Austria's contribution to the WeBa+ Program has helped inform US\$ 791M in World Bank financing in the region.<sup>1</sup>

This Country Brief summarizes ongoing and closed activities under the WeBa+ Program aimed at supporting climate and green growth priorities in Montenegro.

### WeBa+ Program Support to Montenegro at a Glance

**9****Number of grants  
(active and closed)****US\$ 1.2M****Funding (active and closed)****US\$ 1M****Funding (active)****US\$ 77M****World Bank lending informed**

Grant Title	Approval Date	Status	Amount	Linked World Bank Lending Operation
Port Coastal Resilience	Dec 2024	Active	US\$ 150K	<a href="#">Montenegro Second Institutional Development and Agriculture Strengthening Project</a> (MIDAS 2, US\$ 35M) and Additional Financing (pipeline)
Forest Bioeconomy	Nov 2024	Active	US\$ 150K	<a href="#">Montenegro Forest for Shared Prosperity</a> (US\$ 20M)
Watershed Management	Oct 2024	Active	US\$ 200K	<a href="#">Sava and Drina Rivers Corridors Integrated Development Program MPA</a> (Phase 1, US\$ 134M)
Improving an Enabling Environment for Effective Pollution Management	Nov 2022	Active	US\$ 400K	<a href="#">Montenegro Waste Sector Improvement Project</a> (US\$ 42M)
Rail Network Resilience	Nov 2022	Active	US\$ 100K <sup>2</sup>	N/A
Policies to Promote Resilient Recovery	April 2023	Closed	US\$ 63K	<a href="#">Montenegro First Resilient Fiscal and Sustainable Development DPF</a> (US\$ 87M)
Low-Carbon Response to the Energy Crisis in the Western Balkans	Jan 2023	Closed	US\$ 83K <sup>3</sup>	<a href="#">Montenegro First Resilient Fiscal and Sustainable Development DPF</a> (US\$ 87M)
Stakeholder Engagement Platform and Social Dimensions of Green Growth Analysis in the Western Balkans	Dec 2021	Closed	US\$ 7K <sup>4</sup>	N/A
Greening Motorization in the Western Balkans	July 2021	Closed	US\$ 55K <sup>5</sup>	N/A

<sup>2</sup> This grant totals at US\$ 200K and is split among Montenegro and Kosovo.

<sup>3</sup> This grant totals US\$ 500K and is split among the 6 Western Balkans countries.

<sup>4</sup> This grant totals US\$ 40K and is split among the 6 Western Balkans countries.

<sup>5</sup> This grant totals US\$ 330K and is split among the 6 Western Balkans countries.

## GRANT SUMMARIES

### Port Coastal Resilience (US\$ 150K, active)

The Government of Montenegro – with support of the World Bank – is planning to construct a fisheries port in Rt Đjeran in the Municipality of Ulcinj to serve both as a fish landing and distribution site and as a recreational facility. This grant supports the preparation and execution phases of the fishery port by facilitating policy dialogues and stakeholder consultations aimed at integrating adaptation principles into the design and construction of the fishery port. A strategic study will be conducted to pinpoint gaps and opportunities for promoting climate-resilient fishing practices within the fishing community.

### Forest Bioeconomy (US\$ 150K, active)

The grant aims to improve the sustainable management of forest resources and to enhance the competitiveness of the forest industry in targeted areas. Grant activities will support the design of the linked operation through identifying and cultivating marketable tree species, assessing the wood industry to identify opportunities for adding value to forest products, and providing capacity support to the Directorate for Forestry.

### Watershed Management (US\$ 200K, active)

This grant supports sustainable watershed management and increased climate resilience in the Lim and Grnčar river basins by improving flood and sediment management, and transboundary cooperation. The grant will support incorporation of nature-based solutions in engineering designs for civil works carried out under the linked investment lending operation.

### Improving an Enabling Environment for Effective Pollution Management (US\$ 400K, active)

This grant aims to improve the enabling environment for effective pollution management. It provided a regulatory and institutional review of the waste management sector in Montenegro, as well as technical documentation for the Regional Waste Management Center in Nikišić Municipality. The grant is informing the design of the linked investment lending operation, specifically the components related to waste management governance and the establishment of the regional domestic waste management center.

### Low-Carbon Response to the Energy Crisis in the Western Balkans (US\$ 83K, closed)

Two energy challenges converged in the region in 2021-2022: aligning the COVID-19 recovery with the transition to a low-carbon energy sector, and the other, mitigating the ongoing energy crisis. The grant supported a range of analytics to assist the Western Balkans countries in developing and implementing policy and investment responses in a programmatic manner towards a more sustainable and less carbon-intensive energy mix. In Montenegro, the grant supported the analysis of the draft Law on Renewable Energy and provided recommendations to expedite its adoption in line with Energy Community Treaty obligations. This analysis also informed Montenegro's First Resilient Fiscal and Sustainable Development DPF.

### Rail Network Resilience (US\$ 100K, active)

This grant supports the mainstreaming of climate resilience considerations in the rail transport sector through the review of current technical standards, guidelines, and planning tools. The diagnostic of the railway sector has been completed. The findings highlight strategic actions to improve the sector's institutional, operational, and investment frameworks, as well as service quality, asset management and climate resilience. The work was presented to stakeholders alongside a proposal for a program to implement the recommendations.

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## Policies to Promote Resilient Recovery (US\$ 63K, closed)

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This grant aimed to foster resilience and greener growth in the post-COVID era. The grant closed successfully after having supported upstream analytics informing a new Law on Public Waste Management, a new Law on Renewable Energies, a new Law on Climate Change, and the adoption of a new sustainable tourism strategy (and informed the [Country Economic Memorandum](#)), through the linked policy lending operation.

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## Stakeholder Engagement Platform (US\$ 7K, closed)

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This grant was one of the first supported by the WeBa+ Program and was developed in the midst of the green recovery agenda from the COVID pandemic. The activity addressed best practices in policy and governance to help manage just transitions across industries/sectors and places by identifying transition pathways and a typology of policy responses. It was complemented by case studies of transitions management in three countries: Italy, Spain and South Korea.

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## Greening Motorization in the Western Balkans (US\$ 55K, closed)

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The grant supported [an analysis](#) of vehicle, fuel, and electricity markets and institutional frameworks, backed by stakeholder consultations across Western Balkans countries. It delivered recommendations for environmental improvements in road vehicle fleets that are informing pipeline lending operations in the region.

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