The Project Completion Note (PCN) for the Former Socialist Federal Republic of Yugoslavia (SFYR) Third Highway Sector Project (Loan 3230-5-YU for US$292 million, approved in FY90), was prepared by the Europe and Central Asia Regional Office.

The loan was comprised of a two-year time slice of the road program and was subdivided among five road organizations: Bosnia Herzegovina (US$55 million), Croatia (US$75 million), Macedonia (US$22 million), Serbia and Vojvodina (US$80 million), and Slovenia (US$60 million). It was canceled in 1992 prior to effectiveness due to the deteriorating political situation. The original date of effectiveness was extended to March 1992 (for Serbia to December 1992), in the hope that the situation would improve. However, the impending break-up of the country made it impossible to declare the loans effective or to extend them. The borrowers were not required to pay commitment charges on their loans.

The project was cofinanced by the European Investment Bank (US$190 million) and other foreign sources (US$140 million), who did not comment on the PCN.

The project objectives were to: (i) improve highway planning and implementation of works; (ii) institute a nationwide maintenance management system and a stable funding mechanism to improve operational efficiency and meet maintenance requirements; (iii) improve roads for transit and tourist traffic; (iv) reduce road vehicle emissions; and (v) rectify incentive distortions and to help develop contractor and consulting industry.