

A portrait of Dr. Ivan Vuković, the Mayor of Podgorica. He is a middle-aged man with short dark hair, wearing a dark blue suit, a white shirt, and a patterned tie. He is standing with his hands clasped in front of him. The background is a blue wall with the coat of arms of Montenegro and the text "Podgorica" visible. A red flag is partially visible on the left side.

Dr. Ivan Vuković, the Mayor of Podgorica

# Capital projects as an investment in future



There is no part of the city in which some of the capital projects are not being implemented or a planning assumption is being prepared, says in the interview for Glasnik the Mayor of Podgorica, Dr. Ivan Vuković.

**W**e must realize that the danger is still here, and that it is severely real. Self-deception is a luxury we must not allow ourselves. This is the time when chivalry is to be proved again, and heroism is reflected in caring for others, says in the interview for Glasnik the Mayor of Podgorica, Dr. **Ivan Vuković**.

**Glasnik:** At the time of writing this interview, in Montenegro, after a short corona-free period, we are again counting the number of infected persons. How do you comment on that? How did you personally experience the pandemic crisis and what has the Capital City done, or continues to do, for its residents to mitigate its adverse effects?

**I. Vuković:** We have faced and are facing an unusual challenge that threatens to endanger the entire civilization, striking directly at its corner stone - humans. Throughout its first appearance, we have managed to stop this phenomena with the responsible behavior of the state and citizens. We have not spent that short, but significant period celebrating, but preparing for new, potentially undesired scenarios, one of which has, unfortunately, come true. In the fight against such a perfidious enemy, it is difficult to extract only one key reason for its re-occurrence, but it can surely be stated that the irresponsibility and frivolity of certain individuals can lead to a disaster.

In order to save human lives and minimize suffering, the Capital City has taken a significant number of measures, complying with the recommendations of the science and the profession. We were on the field rescuing the endangered, and in parallel with that mission, the system of the city did not stop being available to all citizens. The advantage is that we have faced this challenge at the time when it is possible to promptly collect data and analyze the situation, and on that grounds to quickly implement effective measures, which was unimaginable only a decade ago. I can say that I am truly proud of the manner in which we have responded to this challenge in all its aspects. There was neither retreat nor delay. Rationality, conscience and personal responsibility are key aspects in saving human lives. We must realize that the danger is still here, and that it is severely real. Self-deception is a luxury we must not allow ourselves. This is the time when chivalry is to be proved again, and heroism is reflected in caring for others.

**Glasnik:** How have the companies established by the Capital City show themselves during this period? Were there any difficulties in their operation?

**I. Vuković:** The analysis of data on the operations of companies under the Capital City during this year shows that most of them will have the reduced revenues and unforeseen costs caused by the pandemic, which puts them in a situation where they expect support from the Capital City in overcoming financial problems.

In addition to significantly higher expenditures for the maintenance of hygiene of public areas, it should be taken into consideration that the set of measures introduced by the Decision on mitigating the financial consequences of coronavirus in Podgorica by which we have met the needs of the private sector and citizens throughout the crisis, has directly impacted the reduction in the economic revenues of our companies, which over the period of three months were completely or partially left without the inflow of funds from the lease of premises, tax collection, as well as the collection of certain utility fees and services. The measures have most affected the following companies: "Tržnice i pijace" (engl.

market-place), "Sportski objekti" (engl. sports-facilities) and "Parking Servis" (engl. parking service), and to a certain extent also "Čistoća" (engl. maintenance service, "Vodovod i kanalizacija" (engl. Water Supply and Sewerage) and "Deponija" (engl. waste dump). Taking into account all this, we have prepared a budget revision which envisages an increase in funds for the transfer to companies in the amount of 530,000 euros, as well as an increase in funds for the ongoing maintenance of public infrastructure in the amount of 150,000 euros. Within the scope of the capital budget, companies were provided significant support for the purchase of missing equipment.

**Glasnik:** The amount of the budget allocated for Podgorica for 2020 has been decided upon by voting as one of the largest budget amounts so far. How have the consequences of COVID-19 affect the realization of the budget?

**I. Vuković:** By the decision on the budget of the Capital City Podgorica for the year 2020, the total income are foreseen in the amount of 93.703,000 euros, while by the draft budget revision they are foreseen in the amount of 89.600,500 euros, which is a decrease of 4,38 percent. As I have already stated within the answer to your previous question, this decrease is largely due to the Decision on mitigating the financial consequences of coronavirus, by which we have renounced part of the revenue in order to provide support to the private sector and citizens. I am certain that we have made a good decision, because as a local government we are obliged to share the burden of losses, which unfortunately could not have been avoided, with all entities of the community.

**Glasnik:** In your opinion to what extent will the crisis affect the economy of Podgorica? Which branches are most affected? How does the crisis affect tourism, since Podgorica is one of the cities with the largest number of tourist visits in the country?

**I. Vuković:** Adverse economic consequences of the corona crisis have affected all sectors of the economy, and thus all citizens of Podgorica. The impact on the sector of services is particularly adverse, especially if we take into account the number of service facilities in the city, i.e. the fact that at the end of March 2020, the total number of active craft facilities was around 1.400, catering facilities around 1.700, and trade facilities over 5.000. I remind you that none of them, with the exception of pharmaceutical and food sales facilities have operated, i.e. have not generated any income for a period of two months.

The situation is similar in tourism. The indicators from the beginning of the year were great. During the first three months, there were 39.461 overnight stays in Podgorica, due to which it was positioned just behind Budva as the capital of tourism. Therefore, the expectations were that 2020 would be a record one in view of tourism, however, the pandemic made this impossible.

**Glasnik:** About half a year ago, the implementation of, as you said, the project of the century for Podgorica, related to the wastewater treatment system, has started. What will Podgorica gain from this valuable investment, at what stage is the project implementation? Will the corona crisis affect this project and in which manner?

**I. Vuković:** Implementation of the project "Collection and Treatment of Wastewater", which means the construction of wastewater treatment plants with associated collector network, will provide prerequisites for accelerated development of Podgorica over the next 50 years.

On a long-term basis and in an environmentally friendly way, we will resolve the collection and treatment of wastewater and enhance general conditions of quality of life and health of the citizens of Podgorica. The new plant will meet the needs of 230.000 inhabitants - almost four times more than the capacity of the existing one. One of the important elements of the project is the protection of the groundwater regime of the Zeta valley, the preservation of water sources and the reduction of pollution of Morača River.

The Implementation has commenced in accordance with the foreseen schedule and planned time-limits. The crisis caused by the pandemic did not have a significant impact on the course of the project, and we believe that it will remain so in the future. The construction of the primary pipeline that will connect the existing and future plant is currently underway. We have also started to construct the secondary sewerage network in the following settlements: Konik, Murtovina, Zlatica and Zagorič. We are about to commence the construction of a pedestrian pipeline bridge for the transfer of hydraulic installations from the right to the left bank of Morača River, and a pre-qualification call for the construction of the most important segment of the project, i.e. the wastewater and sludge treatment plant has been announced.

**Glasnik:** What other projects are currently being implemented or are envisaged to be implemented in the near future in the area of the Capital City and how significant they are for the development of Podgorica?

**I. Vuković:** Capital projects are an investment in the future. I am pleased to state that there is no part of the city in which some of the capital projects are not being implemented or a planning assumption is being prepared.

A 15 million euros worth project, the construction of the Southwest Bypass as a boulevard-type roadway that will connect the Petrovac roadway and the Boulevard 21. May, is largely underway. All the necessary prerequisites have been created also for the construction of the boulevard roadway to Danilovgrad, almost 25 million euros worth project. Works are also underway on the reconstruction of the old roadway to Danilovgrad, which should be completed during the autumn.

We have announced a tender for the selection of the most favorable contractor for works on the Bulevar Vilija Branta (engl. Boulevard of Willy Brant) at Zlatica, which will be the connection with the highway, as well as a tender for the selection of contractor for works on the future boulevard through Gornja Gorica. The boulevard to Tuzi is constructed through phase, whereby the first phase has mainly been completed.

Along with the implementation of these large transit roadways, we surely take great care of city roads. We will soon turn Veljka Vlahović Street at the settlement Stari aerodrom, in cooperation with the Public Works Administration, into a modern boulevard-type road, with three lanes in each direction, and we are planning a similar operation in Zmaj Jovina Street at the same settlement.

We continue to carry out the reconstruction of the main road Golubovci - Mataguži - Tuzi, a million euros worth project, which is entirely financed from the Capital City's own funds.

The implementation of all the above-referred projects is of multiple significance for the quality of life in Podgorica, the city which is expanding, developing and living the life of a modern city and

urban center of European Montenegro.

**Glasnik:** What is your opinion of the business environment in Podgorica and what does the Capital City do to enhance it?

**I. Vuković:** In order to further foster economic activities in Podgorica, the Council for the improvement of the business environment in the area of the Capital City, or the abbreviated form of the title - the Business Council, has been established. Its activities will be aimed at coordinating the activities of local self-government authorities and other competent institutions in order to apply priority reform measures and improve the business environment, the aim of which is to remove business barriers. In addition, its role is to carry out all activities for the purpose of creating conditions for greater competitiveness and faster economic growth in the area of Podgorica.

Furthermore, an important step for the improvement of economic activity is the Decision on the establishment of business zones, which was passed by the city Parliament at the end of last year. This Decision governs the method of management, financing and infrastructural equipping of land defined as a business zone, activities that can be performed therein, relieves granted to users and other issues of importance for business. The Decision will take effect when the announced amendments to the Law on Spatial Planning and Construction of Structures are adopted. Large number of investors are interested in equipping the locations themselves, and in return to receive benefits in the form of relieves such as obtaining the land for up to thirty years' lease period at an annual price of one cent per one square meter, the possibility of buying the land in 60 monthly installments, exemption from fees for use of municipal roads for a period of 10 years etc. The criteria on the basis of which we will select our partners are primarily related to the foreseen number of newly employed persons, the value of the investment and the degree of its contribution to improving the quality of life of citizens. At the beginning of December, business zones were presented to the Committee of Association of Small and Medium-Sized Enterprises and Entrepreneurs of the Chamber of Economy of Montenegro.

The City Manager and the International Cooperation Service, in coordination with diplomatic and consular missions in Montenegro, have delivered seven presentations of investment potentials through the event Podgorica Investment Days, in cooperation with the embassies of Austria, Croatia, Germany, Slovenia, Turkey, China, Italy and France. The Montenegrin Chamber of Economy, whose numerous representatives have participated at the presentation has also joined the Embassy of the People's Republic of China in organizing the event. Opportunities for investment in the areas of energy and industry, technology, tourism and catering, transport, health, real estate, sports, culture and entertainment have been presented. These presentations have been attended by over 300 representatives of prestigious companies.

With reference to provision of support and strengthening the entrepreneurship and small and medium-sized business, as well as the incentives for a creative approach to the development of business ideas of young persons, our Center for Competence has justified its objective in its entirety. It hosts numerous trainings and mentoring programs for Micro, Small and Medium-Sized Enterprises (abb.: MSMEs) and for the unemployed young persons in the field of business competence development, as well as for the introduction of new technologies and innovative solutions in busi-

ness. The Center for Competence has been established in cooperation with the Montenegrin Employers Federation (abb.: MEF) as an activity of the cross-border project competenceNET.

**Glasnik:** BFC certification of municipalities with a favorable business environment contributes to the recognition of local self-governments in the eyes of potential investors. At what stage is currently this process in Podgorica?

**I. Vuković:** At the beginning of last year, the Capital City commenced the process of acquiring the referred certification. The process is led by the City Manager Marjan Junčaj, with the assistance of the Bureau for Support to Business Community. After the completion of the training in the first quarter of last year, the certification team was given an access code to enter evidence into the software, that is, the electronic platform of the Business Friendly Certification (BFC). We have come to the end of the second phase of providing evidence when, by the decision of the Business Friendly Certification South East Europe (abb.: BFC SEE) Regional Council, all certification processes have been suspended due to the pandemics. The suspension has been removed on July 1 and we now have almost four months left to finalize the implementation.

**Glasnik:** Please evaluate the cooperation with the Chamber of Economy of Montenegro on the development of the business climate, but also in the area of non-formal education.

**I. Vuković:** The Capital City and the Chamber of Economy have an intensive and comprehensive cooperation and communication in searching for the best solutions for the realization of a joint goal - improving the quality and scope of overall economic activities in the area of Podgorica. It is natural that the closest cooperati-

on is in the area of utility economy, and Filip Makrid, the Director of our company "Vodovod i kanalizacija" is also the president of the Committee of the Association of Communal Economy of the Chamber of Economy. I trust that the representatives of our institutions, through performing joint work and providing analyses, can further contribute to the improvement of the normative framework, primarily in the sphere of communal economy, but also in other economic branches in future.

When it comes to non-formal education, it is of particular significance to support business start-ups, provide expertise, training and coaching, which will help them define their business idea, establish a new company and improve their capacity for further growth and development. It is necessary to provide also a non-financial support and assistance to existing companies in their efforts for further development and growth. With respect to this, the Secretariat for Entrepreneurship has been organizing educational seminars for entrepreneurs for several years with the Chamber of Economy of Montenegro as an institutional partner to all decision-makers at the national and local level, taking into account that knowledge and skills of human resources in the field of economy must be constantly improved. Educated and trained human resources in contemporary society are the grounds for the development of the national economy. More than 500 participants attend the seminars on annual basis.

Numerous round tables with reference to the diverse topics have been organized, and the representatives of the Chamber of Economy actively participate also in the working group of local partnership for employment within the EU-SOPESS project "Further development of local initiatives for employment in Montenegro".

