
**GUIDELINES FOR THE PREPARATION OF THE DEVELOPMENT LOCAL
STRATEGIC DOCUMENTS FOR THE CAPITAL CITY OF PODGORICA**

PARTNER ORGANISATION

Capital City Podgorica

Country/Region

Montenegro

Strategic Development Plan of Podgorica

Executive Summary

The Interreg Europe INTEGRA project – Integrated Territorial Strategies for Sustainable Transition – aims, among other things, to provide a clear and comparable picture of the state of regional models for the preparation and implementation of integrated territorial strategic development plans, and to highlight best practices and experiences in this field.

The Capital City of Podgorica is obliged, in accordance with applicable legal regulations, to prepare a Strategic Development Plan (SDP) as its comprehensive strategic document, with the current plan covering the period 2026–2031. Following the expiry of the previous SDP (2020–2025), an evaluation was necessary in order to assess the level of implementation of planned activities and to inform the preparation of the new strategic cycle. There is no single local body specialized exclusively for the coordination of strategic documents as exists at the national level.

Analysis of the Strategic Development Plan of the Capital City of Podgorica is structured around key dimensions, including strategic alignment with national and EU frameworks, territorial focus based on data-driven and place-based approaches, governance arrangements, cross-sectoral integration, financing mechanisms, monitoring systems, transformation capacities, and SWOT analysis. It emphasizes participatory, multi-level governance, strong intersectional coordination, and alignment with sustainable development objectives, the EU Green Deal, and the SDGs, while also identifying institutional responsibilities and implementation mechanisms. Overall, the methodology ensures evidence-based planning, efficient resource use, continuous monitoring, and identification of strengths, weaknesses, opportunities, and risks to support sustainable territorial development.

The Guidelines for the preparation of the Strategic Development Plan (SDP) of the Capital City of Podgorica are based on internationally and nationally established standards and provide a comprehensive framework for the 2026–2031 planning period, including the use of public consultation outputs, lessons learned from the previous SDP, and relevant spatial, sectoral, and development data. They emphasize the integration of economic, spatial, environmental, and social development, alignment with the SDGs and EU Green Deal, definition of Functional Urban Areas, intersectional cooperation, stakeholder participation, and the establishment of clear indicators, monitoring systems, and integrated financial planning. In addition, they require alignment with national methodologies and spatial plans, systematic evaluation of the previous SDP with reporting in annexes, and a strong evidence-based and participatory approach to strategic planning and implementation.

Applying the methodology promoted through the INTEGRA project can improve the quality of strategic planning and strengthen the transformative potential of local development policies.

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1. Introduction

In accordance with the applicable legal regulations, the Capital City of Podgorica is obliged to prepare a Development Strategic Plan (hereinafter: DSP) for the territory of the Capital City of Podgorica as an overarching strategic document. This document has been prepared for the period 2026–2031. Previously, the DSP for the period 2020–2025 was in force, and following the expiry of that document, it was necessary to evaluate it in order to determine the level of fulfillment of the planned activities and to plan activities in the new DSP. This document is considered the main strategic document of the Capital City of Podgorica.

Guidelines for the preparation of local strategic documents are adopted in order to determine a uniform method for drafting strategic documents, increase the quality and comparability of data with previous strategic plans, and improve the level of development in the coming period. When drafting such documents, it is very important to appoint coordinators for the entire document, as well as coordinators/implementers for each of the individual chapters from the table of contents with specific responsibilities.

Coordinators organize work activities, coordinate the drafting process, and participate in the preparation of the DSP. Their responsibilities are as follows:

- Coordinate with all competent authorities for the purpose of collecting data relevant to the DSP.
- Coordinate with all competent authorities in relation to data processing and calculations, analyses, and experiential data.
- Coordinate and participate in determining numerous activities, etc.

Chapter implementers are required to cooperate with the coordinators and, within their competences, contribute to the preparation of this document. Their responsibilities are as follows:

- Prepare the DSP.
- Collect data on implemented activities in accordance with the previous DSP.
- Identify potential activities that will form part of the new DSP.
- Prepare and propose specific activities.
- Define the competences of the bodies responsible for implementing the designated activities.
- Be responsible for the content and data used in preparing this document, as well as for the accuracy of the data within the competence of the body in which they perform their work activities.

- Submit the requested data to the coordinator within the set deadlines and cooperate throughout the process, etc.

From a methodological perspective, the preparation of these guidelines is based on the *Handbook of Territorial and Local Development Strategies*, prepared by the Joint Research Centre (JRC) of the European Commission.

It represents the most relevant methodological reference at the European level for the development of integrated and sustainable territorial strategies, based on **six basic elements**, namely:

- Strategic dimension.
- Territorial focus.
- Governance.
- Cross-sectoral integration.
- Financing and finance.
- Monitoring.

Each chapter of the handbook identifies a range of challenges faced by decision-makers and territorial actors. These elements have been transformed in the guidelines into guiding questions, in order to convert the general principles of the JRC into practical analytical tools.

It is important to emphasize that the Methodology for the Preparation of Development Strategic Plans, developed within the INTEGRA project, introduced a seventh module or element dedicated to the **transformative capacity of strategies**. This additional element makes it possible to assess the extent to which integrated territorial tools can contribute to the promotion of systemic and gradual change, with direct reference to the **European Green Deal**, the green and digital transition, and the **Sustainable Development Goals**.

Also, from the perspective of realistically assessing the manner and quality of implementation of the previous DSP, it is necessary to prepare a **SWOT analysis** that will clearly indicate the weaknesses due to which some activities were not implemented, as well as the threats that are highly relevant with regard to activities to be implemented in the coming period, that is, in the new strategic document.

These Guidelines regulate the procedure for preparing strategic documents, determine the content of strategic documents, identify the activities to be addressed in strategic documents during their period of validity, define the competences of various bodies in implementing the designated activities, establish the duties and tasks of participants in this process, and define the sources of financing and the method of monitoring.

2. Analysis

2.1 Strategic Dimension

The strategic dimension implies defining the vision and mission of the designated document, establishing the level of alignment with other strategic and other documents at the national

and local levels, and identifying the need for innovation in the coming period, that is, during the validity period of the strategic document.

When preparing local strategic documents, alignment with the following key documents from the legal and institutional framework is important, as they define the competences and obligations of local self-government:

- The Constitution.
- Laws (e.g. the Law on Local Self-Government, the Law on Regional Development, etc.).
- By-laws (decrees, rulebooks, decisions, etc.).
- The municipal/city statute.
- Decisions and rulebooks of the local self-government unit, etc.

In addition, local documents must also be aligned with the following documents:

- National Sustainable Development Strategy.
- Sectoral strategies (education, employment, social protection, environmental protection, disaster risk reduction, health, etc.).
- Regional development programs and strategies.
- Spatial and urban plans.
- National action plans.
- Local action plans (for youth, employment, social policy, gender equality, energy efficiency, etc.).
- Budget documents / medium-term plans.

Strategic documents should be aligned with global comprehensive frameworks in the fields of sustainable development, climate change, and disaster risk reduction for the period 2015–2030 (e.g. Agenda 2030 – Sustainable Development Goals (SDGs), etc.).

Coordination mechanisms to avoid overlap between different strategic documents are implemented through harmonization usually carried out within the municipality (secretariats, working groups, consultations) and through administrative and expert services (e.g. secretariats for development, finance, etc.).

It should be underlined that the adoption of strategic documents by the local parliament, in conjunction with their alignment with the national legislative and strategic framework and the involvement of multiple sectoral institutions, is designed to ensure coherence and to prevent overlaps across strategic documents. Moreover, instruments such as the Council for Improvement of the Business Environment represent structured mechanisms for multi-stakeholder coordination and governance.

The preparation of strategic documents in the Capital City of Podgorica is based on a participatory, multi-level governance approach, ensuring the systematic involvement of key stakeholders, including local government authorities, civil society organisations, and representatives of the business and academic sectors.

Examples of strategic visions that have been effectively translated into approved territorial strategies are primarily achieved through the alignment and formal adoption of relevant planning and regulatory documents at both local and national levels:

1. **Strategic Development Plan of Podgorica:** Priority initiatives, such as the “development and upgrading of municipal infrastructure and service delivery systems,” have been integrated into this overarching strategic framework document, formally adopted by the local parliament, thereby ensuring policy coherence and implementation continuity.
2. **Local Action Plans (LAPs):** Thematic LAPs, particularly those aimed at enhancing economic development and improving the business environment, serve to operationalise strategic objectives into concrete, measurable actions and investment-ready projects. These processes are supported by coordination platforms such as the Council for Improvement of the Business Environment, facilitating stakeholder engagement and policy alignment.
3. **Spatial Plans and Environmental Impact Assessments:** Cross-cutting principles, including environmental protection and sustainability, are embedded in legally binding spatial planning documents. These instruments integrate demographic projections and promote nature-based solutions, in line with EU environmental and climate policy objectives.

2.2 Territorial Focus

For the purpose of preparing the text related to territorial focus, it is necessary to prepare adequate analytical and statistical documentation that will indicate the most important segments of the characteristics of the city’s territory, as well as all demographic, economic, business, social, transport, and other data.

As regards territorial focus, it is necessary to align the strategic plans of the Capital City of Podgorica with the valid spatial planning documentation at the national and local levels (e.g. which specific measures could reduce the migration of the population from rural to urban areas; it is also necessary to state the exact locations of those rural areas from which the highest outflow of population is recorded). Strategic documents aim at balanced institutional development by linking urban and rural areas through cooperation with local communities. Development criteria for certain areas are applied on the basis of their functionality, location, and level of development, with more frequent use of a place-based approach.

For the use of these data and the definition of the objectives and activities of the DSP, it is necessary to use data from:

- The Statistical Office of Montenegro (MONSTAT).
- Demographic, economic, and social analyses of state bodies, chambers of commerce, and other bodies and organizations.
- Reports of public institutions and enterprises.
- Reports on the implementation of previous strategic documents, etc.

Inter-municipal cooperation is implemented through targeted activities of the Union of Municipalities of Montenegro, while international cooperation is developed through the implementation of numerous projects.

Each local self-government unit (municipality) independently adopts its own strategic plans and sectoral documents (e.g. a municipal development strategy).

It is also necessary to clearly state the scope of the area for which the strategic document is being prepared, the functional units, urban-rural links, etc., which at this moment cannot be fully defined due to the lack of implementation of the territorial division between the Capital City of Podgorica and the newly established municipalities of Tuzi and Zeta (the boundary between the municipalities has still not been precisely defined).

Podgorica is the capital and largest city of Montenegro. According to the 2023 census, it had a population of 179,505. The wider Podgorica area covers 10.4% of the territory of Montenegro and accounts for approximately 28.78% of its population. The territorial dimension is defined through the financial role of the Capital City as the administrative, economic, and cultural centre of Montenegro.



Figure 1: Territory of Capital City Podgorica within Montenegro

2.3 Governance

Governance implies a clear presentation of the principles of subordination and the distribution of competences among various bodies, secretariats, services, and public enterprises in the capital city, for the purpose of preparing and implementing the content of the document and the activities that will form an integral part of the strategic document.

At the national level, ministries play a leading role in the design, adoption, and implementation of strategic documents in accordance with their respective areas (with guidance and approvals from the General Secretariat of the Government). At the local level, the main role in preparing strategic documents is played by various secretariats and established coalitions with non-

governmental organizations. Multi-level coordination mechanisms refer to multi-sectoral working groups established for the preparation of strategic documents. A very important coordination mechanism, as well as a network and platform for the exchange of information and data, is implemented through the work of the Union of Municipalities of Montenegro. The preparation of strategic documents at the local level fully enables the participation of the interested public through public consultation programs, with round tables serving as a mandatory step in the preparation of these documents.

It is also very important to define the state of the administrative, technical, and financial capacities available to the Capital City of Podgorica at the time of preparation of the strategic document, in order to clearly determine the need to improve them, all with the aim of the planned fulfillment of activities in the strategic document. Strengthening administrative, technical, and financial capacities is mostly carried out through the implementation of numerous programs and projects financed by international organizations.

A clearly and precisely defined method of coordination and participation of various bodies, secretariats, services, and public enterprises in the implementation of planned activities will enable better preparation and implementation of numerous activities.

Institutions that play a key role in the implementation of strategies at the territorial level of the Capital City of Podgorica include:

- Local Parliament
- Mayor's Office
- City Administration and its departments
- Business Council
- Civil society organisations

In addition to the primary existing governance structure (the local parliament, city administration, and public enterprises), ad hoc working groups and project teams are established for specific strategic areas or EU-funded projects.

Citizens and stakeholders are involved in the design phase, as well as during implementation and monitoring, through consultations, public debate, and feedback mechanisms.

2.4 Cross-Sectoral Integration

High-quality cross-sectoral integration and the combination of public policies will ensure an adequate exchange of knowledge and experiences related to the results achieved in the previous period, which will directly affect a realistic assessment of the possibilities for implementing activities during the validity period of the new strategic document. Cross-sectoral integration is implemented through the establishment of multi-sectoral working groups for the preparation of strategic and other documents. The thematic areas that are systematically included in the preparation of strategic documents include environmental protection, sustainable development, the impact of climate change, disaster risk reduction, digital transformation, etc.

It is particularly important that sectoral integration practices are taken into account at the beginning of the process design and when determining the methodology for preparing documents at the strategic level. Synergy between sectors is ensured through the joint work of

members of multi-sectoral working groups and the harmonization of the contents of the chapters they prepare.

Monitoring the integration of numerous solutions from previous strategic and other documents is also an important measure because it ensures accuracy and precision in planning.

A good example of a multi-sectoral approach in the preparation of a strategic document is the developed Strategic Development Plan of the Capital City of Podgorica for the period 2026–2031.

Cross-sectoral integration is systematically monitored and evaluated during the implementation phase. In addition, monitoring is carried out through annual reports and evaluation mechanisms at the city (local) level.

The multi-sectoral approach has been effectively translated into approved territorial strategies through the Sustainable Urban Mobility Plan of Podgorica and the Local Environmental Protection Action Plan.

For example, the construction of cycling infrastructure combines transport, environmental protection, and public health objectives; the development of ICT hubs connects the education, economic, and innovation sectors.

2.5 Financing

For the purpose of adequately planning activities within the DSP, it is necessary to define the sources of financing for the period of validity of the strategic document and to apply a multi-fund approach in this regard.

The two key sources of financing for activities defined by strategic plans at the local level are the budget of the local self-government unit and the state capital budget.

The resources of the state and local self-government units are not considered sufficient for meeting the strategic ambitions set out in strategic documents, and they are complemented by international organizations.

Sources of financing that can support the preparation and implementation of strategic documents include:

- IPA and other programs of the European Commission.
- United Nations – UNDP, UNICEF, UNDRR, UNHCR, etc.
- Loan funds from financial institutions such as the World Bank, the European Bank for Reconstruction and Development, etc.
- GIZ – German Agency for International Cooperation and other international organizations.

Through project activities—such as staff training and the sharing of best practices—donors work on capacity building within the local self-government, leading to a reduction in administrative burden and the simplification of procedures.

As for financing, it should be emphasized that there are revolving funds such as the Revolving Fund for the Pre-financing of Donor Projects of the Ministry of Finance of Montenegro, so funds from such sources can be temporarily borrowed to implement certain activities.

Mechanisms have been established to combine different funding sources (e.g. multi-fund approaches, blending). Local and national budgets have been combined with EU and other donor funding.

Example: the wastewater treatment plant (the most important project for Podgorica in the last 50 years).

Note: this type of fund combination for the purpose of implementing activities defined in strategic documents at the local level is not yet in place.

2.6 Monitoring

Monitoring enables periodic and repeated assessment of the implementation status of planned activities, as well as the identification of problems that have led, or may lead, to the non-implementation of planned activities.

Monitoring is carried out through the preparation and adoption of, most commonly, annual reports in line with established strategic and operational objectives. These reports clearly present the level of implementation of activities (implemented, partially implemented, and not implemented), as well as various types of indicators.

All strategic documents are subject to an evaluation process through internal, external, and internal-external evaluation, and accordingly, reports on the implementation of strategic documents are prepared. It is necessary to implement digitalized systems for monitoring and evaluating the implementation of strategic documents.

Through monitoring, the process of preparing and adopting reports is also clearly defined through the participation of municipal authorities, secretariats, services, and public enterprises, as well as the formulation of conclusions aimed at addressing identified shortcomings (the city government is encouraged to use results to adjust policies).

The Capital City of Podgorica conducts assessments using Key Performance Indicators (KPIs) for Smart Sustainable Cities as part of the UNECE city profiling process. The city administration cooperates with national agencies and international organisations in developing integrated reporting on key performance indicators (KPIs).

The KPI set includes approximately 91 indicators covering the economy, environment, society, culture, and other areas. These indicators are selected in accordance with the UNECE methodology. Institutional capacities are mixed. While some analysis exists, there are challenges related to institutional capacity, timelines, and data quality for indicator reporting.

Stakeholders and citizens are involved in monitoring and evaluation through data collection interviews and public consultations. It should be noted that they do not participate sufficiently in the monitoring and evaluation process, with stakeholders participating to a greater extent than citizens (they have the opportunity to do so through the monitoring process, but do not make extensive use of it).

2.7 Transformation Capacities

The methodology for preparing strategic development plans, developed within the INTEGRA project, introduced a seventh module or element dedicated to the transformative capacity of strategies. This additional element enables the assessment of the extent to which integrated territorial tools can contribute to the promotion of systemic and incremental change, with direct reference to the European Green Deal, the green and digital transition, and the Sustainable Development Goals.

Transformational capacities refer to the ability of a strategic document to initiate and support systemic, long-term, and sustainable changes in the territory to which it applies.

This segment should assess the extent to which planned measures contribute to the green transition, digital transformation, institutional strengthening, innovation, social inclusion, and resilience to climate change and disaster risks. It is necessary to identify opportunities for transformative change through integrated measures, stronger cross-sectoral coordination, and the use of innovative approaches and financial instruments.

For the above-mentioned reasons, it is clear that the preparation of the Strategic Development Plan of the Capital City of Podgorica should also include and consider in detail the aspects related to this chapter, with the aim of achieving systemic changes, innovations in planning and implementation of numerous activities, and the transferability of good practices and solutions.

Note: The Union of Municipalities of Montenegro promotes and disseminates innovative solutions and practices among local self-government units in order to encourage replication processes.

2.8 SWOT Analysis

SWOT analysis should provide a realistic overview of internal strengths and weaknesses, as well as external opportunities and threats relevant to the preparation and implementation of a strategic document.

Through an adequate presentation of strengths, weaknesses, opportunities, and threats, conclusions are drawn regarding the analysis of administrative, technical, and financial capacities; the analysis of systemic deficiencies; the determination of the level of knowledge and awareness; the assessment of the degree of intersectoral coordination; the appropriate planning of activities and, accordingly, the identification of funding sources, etc., all with the aim of fulfilling the obligations set out in the Strategic Development Plan (SDP).

This analysis should particularly highlight the reasons why certain activities from the previous strategic plan were not implemented and identify risks that may affect the implementation of activities in the new planning period.

SWOT Category	Description
Strengths	Internal positive characteristics and capacities of the local authority or territory, such as well-developed infrastructure, favourable geographic location, qualified

SWOT Category	Description
	human resources, institutional stability, and available natural and cultural assets.
Weaknesses	Internal constraints and development gaps, including insufficient infrastructure, limited administrative capacity, lack of investment, insufficient human resources, or weak intersectoral coordination. This category also highlights reasons why certain activities from previous strategic plans were not implemented.
Opportunities	External factors that can be leveraged to support development, such as access to EU funds and donor programmes, digital transformation trends, tourism development, regional cooperation, and national policy frameworks.
Threats	External risks that may negatively affect development and the implementation of activities in the new planning period, including economic instability, climate change impacts, demographic decline, migration trends, political uncertainty, and competition from other local governments.

A high-quality SWOT analysis supports local authorities in defining strategic priorities, aligning objectives with available capacities, identifying risks and opportunities, and ensuring more efficient and sustainable planning of goals and measures.

3. Conclusion

The Guidelines for the preparation of the Strategic Development Plan of the Capital City of Podgorica include internationally and nationally established provisions for the development of documents of this type.

When preparing the Strategic Development Plan (SDP) for the period 2032–2037, it is necessary to take into consideration the following:

- Use of documentation obtained during the public consultation process;
- Use of recommendations and good practices from the implementation of the previous Strategic Development Plan;
- Identification and integration of economic development, spatial planning, environmental protection, and social welfare;
- Integration of urban spatial planning into the SDP;
- Definition of Functional Urban Areas (FUA);
- Linking Sustainable Development Goals, climate change, and disaster risk reduction with SDP activities;
- Integration of green and blue infrastructure solutions in urban areas;
- Implementation of targeted measures for socially less resilient or non-resilient areas;

- Strengthening intersectoral cooperation through the involvement of all authorities, services, and public enterprises of the Capital City of Podgorica in the preparation and implementation of the SDP;
- Involvement of relevant state authorities, NGOs, and distinguished representatives of the academic community in the preparation of the document, etc.;
- Definition of clear indicators and a strong monitoring system.
- Establishment of an integrated approach to planning the financial resources required for the implementation of the Strategic Development Plan (SDP);
- Alignment of local-level strategic documents with these Guidelines and the Rulebook on the Methodology for Drafting the Strategic Development Plan of Local Self-Government Units (Official Gazette of Montenegro No. 68/16);
- Use of data from the Spatial-Urban Plan (SUP) of the Capital City of Podgorica adopted in the summer of 2025;
- Conduct an analysis of the implementation of the previous Strategic Development Plan, i.e. determine the status of implemented activities/projects from the relevant period and present them in an annex to the new SDP;
- Present the level of implementation of the previous Strategic Development Plan in an annex.

4. References

Constitution of Montenegro

Law on Local Self-Government

Law on Regional Development

Statute of the Capital City Podgorica

Strategic Development Plan

Handbook of Territorial and Local Development Strategies

Rulebook on the Methodology for Drafting the Strategic Development Plan of Local Self-Government Units (Official Gazette of Montenegro No. 68/16)

Methodology for Policy Development, Preparation and Monitoring of Strategic Documents, Montenegro

Agenda 2030

Sustainable Development Goals (SDGs)

European Green Deal