Preparation for implementation of an Area Based Development Approach (ABDA) in the Western Balkans

1 Introduction

This study refers to the region Drina-Sava which was selected by the SWG Board as one of the vulnerable cross-border areas of the Western Balkans. It is expected that application of the concept of ABD could be used to overcome present barriers and limitations and assist in sustainable development of the region. According to the definition, the concept of ABD targets specific geographical areas in a country characterised by a particular complex development problem, through an integrated, inclusive, participatory and flexible approach. Although usually applied in locations characterised by conflict or crisis, in recent years the application of the ABD has significantly broadened. In this particular case of Drina – Sava region, the problems to be addressed through the ABD approach fall into two main objectives: post-war reconstruction (including the reintegration of former combatants) and poverty-related (reflecting the poverty situation emerging as a result of economic restructuring).

2 Country(ies) and administrative region covered

2.1 ABD selection criteria applied

The region Drina-Sava was selected as one of the seven regions proposed for application of ABD. The analytical exercise on cross-border analysis of proposed rural regions and delimitation of territory was developed in three steps:

- Draft proposals of border rural areas per country were cross-checked in order to identify cross-border areas which shared similar development challenges and were co-dependent in the use of specific assets, such as natural resources. Consequently, a consolidated draft list of rural cross-border areas was compiled.
- Rural cross border areas were also delimited at this stage according to basic factors: population (the limit is set at 350 thousand inhabitants), existence of traffic connection, absence of political tensions or impediment. These factors were based on the Drina Tara pilot case study experience.
- Comparative analysis of selected cross-border regions was done based on defined set of regionally specific indicators. The regional specific indicators take into consideration regional characteristics/resources and development opportunities/challenges (Table 1). Based on these criteria, all regions are mutually compared and ranked.

Table 1. Summarised common criteria considered in selection of the regions

<table>
<thead>
<tr>
<th>Key Characteristics / Resources:</th>
<th>Development Opportunities / Challenges:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong economic links, based on well-integrated regional</td>
<td>Proximity of attractive markets</td>
</tr>
<tr>
<td>economy and compatible economic structure</td>
<td></td>
</tr>
<tr>
<td>Demographic situation characterised by potential in</td>
<td>Opportunities for growth, both in agriculture and other rural/urban</td>
</tr>
<tr>
<td>human capital (less outmigration, better educational</td>
<td>economic sectors (tourism, other primary sector activities, manufacturing)</td>
</tr>
<tr>
<td>attainment)</td>
<td></td>
</tr>
<tr>
<td>Homogeneous characteristics of natural resources:</td>
<td>The possibility of improving environmental protection</td>
</tr>
<tr>
<td>agricultural land, biodiversity, agri business and farm</td>
<td></td>
</tr>
<tr>
<td>structure</td>
<td></td>
</tr>
<tr>
<td>Well-developed physical infrastructure</td>
<td>Existence of typical products</td>
</tr>
<tr>
<td>Existence of institutional capacity of local governments and</td>
<td>Necessity of renewing of social connections among</td>
</tr>
<tr>
<td>CSOs</td>
<td>border population</td>
</tr>
</tbody>
</table>

Compared with other considered cross-border region, the Drina - Sava region is characterized by more favourable performances of its resources. On the other hand, development opportunities and challenges that can be seen in the region, are not clearly profiled and are not easily recognisable.

This region corresponds partly to the Drina-Sava-Majevica Euro region which was founded in 2003 (by municipalities and towns of Bosnia and Herzegovina and, of what was at that time, Serbia & Montenegro: Loznica, Bogatić, Šabac and Mali Zvornik).

2.2 Geographical area covered by the plan

The region is geographically positioned in the north-east of Croatia (eastern Slavonia), the north-west of Serbia (south-west Vojvodina and north-west Central Serbia) and north-east Bosnia and Herzegovina (Semberija). Region encompasses seventeen municipalities (five from Croatia and Serbia, and seven from Bosnia and Herzegovina) (Map 1, Table 2). Observed at the national level, the municipalities in Bosnia and Herzegovina belong to the territories of Republika Srpska and Brčko District (out of land from both entities); Serbian municipalities belong to counties of Srem (Sremska Mitrovica, Sid) and Macva (Sabac, Loznica, Bogatic); Croatian municipalities are the part of Vukovarsko- Srijemska county.

Map 1.

The country's administrative-territorial arrangement is very different, and hence there is great disparity in population and size of the territory of the municipalities (}
Table 2). The biggest urban centres of the Drina Sava region are municipalities Brčko and Bijeljina in Bosnia and Herzegovina and Šabac and Sremska Mitrovica in Serbia. There is no any urban centre on Croatian part of territory, but two big major cities (Vinkovci and Vukovar) are in close proximity (20km).
Table 2. Basic statistical data on municipalities from the region

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Population</th>
<th>Area km²</th>
<th>Number of settlements</th>
<th>Population Density</th>
<th>Natural increase Per 1000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BOSNIA &amp; HERZEGOVINA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bijeljina</td>
<td>108,305</td>
<td>733.9</td>
<td>68</td>
<td>147.6</td>
<td>-27.0</td>
</tr>
<tr>
<td>Ugljevik</td>
<td>16,225</td>
<td>165.2</td>
<td>17</td>
<td>98.2</td>
<td>-63.0</td>
</tr>
<tr>
<td>Lopare</td>
<td>15,806</td>
<td>292.6</td>
<td>24</td>
<td>54.0</td>
<td>-109.0</td>
</tr>
<tr>
<td>Brcko</td>
<td>75,664</td>
<td>402.0</td>
<td>50</td>
<td>188.2</td>
<td></td>
</tr>
<tr>
<td>Donji Zabari</td>
<td>2,646</td>
<td>46.8</td>
<td>2</td>
<td>56.6</td>
<td>-25.0</td>
</tr>
<tr>
<td><strong>CROATIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ilok</td>
<td>8,351</td>
<td>130.56</td>
<td>4</td>
<td>63.96</td>
<td>-40</td>
</tr>
<tr>
<td>Lovas</td>
<td>1,579</td>
<td>42.59</td>
<td>2</td>
<td>37.07</td>
<td>-12</td>
</tr>
<tr>
<td>Tovarnik</td>
<td>3,335</td>
<td>64.39</td>
<td>2</td>
<td>51.8</td>
<td>-17</td>
</tr>
<tr>
<td>Nijemci</td>
<td>5,998</td>
<td>224.33</td>
<td>8</td>
<td>26.74</td>
<td>-20</td>
</tr>
<tr>
<td>Vrbanja</td>
<td>5,174</td>
<td>191.69</td>
<td>3</td>
<td>27.00</td>
<td>-25</td>
</tr>
<tr>
<td>Drenovci</td>
<td>7,424</td>
<td>200.51</td>
<td>5</td>
<td>37.02</td>
<td>-42</td>
</tr>
<tr>
<td>Gunja</td>
<td>5,033</td>
<td>31.01</td>
<td>1</td>
<td>162.30</td>
<td>-19</td>
</tr>
<tr>
<td><strong>SERBIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sremska Mitrovica</td>
<td>85,902</td>
<td>762</td>
<td>26</td>
<td>113</td>
<td>-4.7</td>
</tr>
<tr>
<td>Sid</td>
<td>38,973</td>
<td>687</td>
<td>19</td>
<td>57</td>
<td>-7.0</td>
</tr>
<tr>
<td>Bogatic</td>
<td>32,990</td>
<td>384</td>
<td>14</td>
<td>86</td>
<td>-8.2</td>
</tr>
<tr>
<td>Loznica</td>
<td>86,413</td>
<td>620</td>
<td>54</td>
<td>139</td>
<td>-4.2</td>
</tr>
<tr>
<td>Sabac</td>
<td>122,893</td>
<td>798</td>
<td>52</td>
<td>154</td>
<td>-5.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>622,711</td>
<td>5,777</td>
<td>351</td>
<td>107.80</td>
<td>-229.6</td>
</tr>
</tbody>
</table>

A modern transport network is one of the most important factors enabling connections at the local, regional and international levels and is an essential for developing both regional economies and effective cross border cooperation. The region has an excellent geographical position and is easily accessible by all forms of transport (road, rail, water, air transport).

National and regional roads (including the two highways: Belgrade - Zagreb and Belgrade - Novi Sad) give to this area good connection with all surrounding municipalities and relevant urban centres. The international airports "Nikola Tesla" in Surčin (Belgrade) and airport in Banja Luka are near these important traffic corridors. There are no primary airports in Croatian side of region - the nearest one is Osijek airport and a third-class airport Sopot in Vinkovci (used for agricultural purposes). Main railway lines include: Belgrade – Zagreb, Belgrade - Novi Sad, Zagreb - Budapest, Zagreb - Sarajevo, etc. The latter allows connecting these districts with the neighbouring regions and Europe.

The region is situated between two important international waterways Danube and Sava. On one part of the territory, the Sava River is only conditionally navigable (not enough flow in some parts, unmarked channels, etc.). Existing traffic is therefore dependent on seasonal conditions and the water level.

Distance of regional endpoints from East to West is 120 km, and from North to South about 140 km. Considerable part of the territory is highway connected. Regional road networks exist, but they are of poor quality, especially on the territory of Bosnia and Serbia. Anyway, the settlements in this region are easily accessible and well connected, which are important preconditions for the effectiveness of the process of participation.

## 3 A quantified description of the current situation

### 3.1 Natural Resources & Environment

The region covers an area of the Pannonian Plain in the valley of the Drina and Sava, on the slopes of Fruska Gora and Majevica. Most of the territory in this region is located at 80-120 meters above sea level. Area characterised by a geomorphology which includes alluvial, river and loess terraces with fluvial-wetland plains. Parts of the territories are located at higher altitudes (Brčko, Lopare, Ugljevik, and Loznica), reaching near 700 meters in Sabac (689m mountain Cer). Even in those municipalities that encompass parts of the mountain (Lopare, Ugljevik, Loznica), the quality of land is high and it is mainly used for agriculture. Few
municipalities (Lopare, Ugljevik, Nijemci, Vrbanja and Drenovci) have less than 50%, of agriculture land, while in the majority of the area agricultural land covers 70-80% of the total territory. However, the Croatian and Bosnia side of the area has still large land strips contaminated with mines or under the suspicion of being contaminated with mines.

In addition to agricultural land, the region is also forest rich and contains afforested land (from 5% in Lovas to 50% in Loznica and Ugljevik). Forests are an important natural resource of the area; they are mostly preserved and only occasionally exposed to excessive felling. The most common forests are oak stands, which occupy 57% of forest area. In addition, are represented the ash, oak, elm and black locust. The forests, old parks and nature basins of this area are largely used for hunting. As for agricultural land, some hunting areas are characterised by the issue of mines, therefore inaccessible and with an increasing population of wild animals.

The region is also rich with geothermal waters (Loznica, Šabac), geothermal energy and excellent mineral water (Bijeljina). Thermal waters exist also in the Croatian part of the region, but they are not exploited. Spa centres existing in Bosnia and Serbia (Banja Dvorovi - Bijeljina and Spa centres Kobiljača, Badanja and Radalja in Loznica). Rafting and related activities are performed on Drina River (Loznica). The region has excellent fishery grounds (Bijeljina) with three artificial lakes (Donji Žabari) as well as many rivers and lakes.

Moreover, the natural resources of the region include: clay, gravel and sand pits, and areas of high biodiversity (many extensive and ecologically important areas of marshes and wetlands). Some of these natural resources are protected (Table 3) and others present significant heritage and potential for tourism and economic development.

### Table 3. Protected natural resources and archaeological sites

<table>
<thead>
<tr>
<th>Name of protected area</th>
<th>Type of protection</th>
<th>Town/ municipality</th>
<th>Year of designation</th>
<th>Area (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spačva river area</td>
<td>Protected landscape</td>
<td>Nijemci</td>
<td>1999</td>
<td>278</td>
</tr>
<tr>
<td>Radiševo</td>
<td>reservation of forest vegetation</td>
<td>Vrbanja</td>
<td>1975</td>
<td>4</td>
</tr>
<tr>
<td>Bara Zasavica</td>
<td>Nature Reserve</td>
<td>Sremska Mitrovica</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grgurevačka pećina</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruska Gora</td>
<td>National Reserve</td>
<td>Sremska Mitrovica, Sid</td>
<td>1960</td>
<td>25393 (total)</td>
</tr>
<tr>
<td>Vukovarske dunavske ade</td>
<td>Special forest reserve</td>
<td>Ilok, Lovas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spačva river area</td>
<td>protected landscape</td>
<td>?????</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gromiželj</td>
<td>Special Nature Reserve</td>
<td>Bijeljina</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hrast Zeke Buljubaše</td>
<td>Nature monument</td>
<td>Sremska Mitrovica</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imperial Palace - Sirmium</td>
<td>Archaeological Site of Exceptional Importance</td>
<td>Sremska Mitrovica</td>
<td>1990</td>
<td></td>
</tr>
<tr>
<td>Gradina</td>
<td>Archaeological Site of Great Importance</td>
<td>Sid</td>
<td>1991</td>
<td></td>
</tr>
</tbody>
</table>

**The environmental issues.** The significant environmental problems exist in the part of region with highest density of farms causing the higher level of spot pollution with nutrients. Agriculture, as one of the main economies in the region is recognized as the highest polluter of ground and surface waters. Application of Good Agriculture Practices, with proper manure management system and, elaboration of Nutrient Management Plans could significantly assist in environment protection. Existence of large number of farms and large area of land, provide possibilities for promotion of biogas production, or production of other biomass that could be used for energy production and economic development of the region.

Whole area does not have heavy industry that could induce bigger pollution accidents considering that almost 90% of waste waters are discharged directly in to river bodies. On Serbian and Bosnian part of the region, there are certain industries (chemical, petrochemical, machinery, manufacture, metallurgical, food and oil industries) that could cause increased pollution levels in certain parts.
The European Union's approach to waste management is based on three principles: waste prevention, recycling and reuse and improving final disposal and monitoring. Due to a linkage of the amount of waste and GDP, the amount of waste arising in the EU is still higher than it is in the Drina-Sava region. Investments in good practices and technologies are missing, and solid waste management systems present significant threat for the region since there are no integrated waste management systems in the area. A great number of non-sanitary landfills, the so-called "wild" dumpsites, represent a serious threat for the environment as well as the hazardous waste which is not regulated in a satisfactory manner.

Strong growth in transport, notable road transport, causes growing environmental pressures, like air and water pollution, greenhouse gas emissions, habitat fragmentation and destruction that need to be addressed by a sustainable policy. Growth in transport volume and activity will generate more CO₂ emissions and could have impact on rich agro biodiversity resources of the region. More than 50% of the municipalities of the region have Local documents/strategies which regulates the environment and protection of ecosystems. However, only 20-30% of them have sufficient funds for dealing with these issues, although there is strong believe that there will be more funds for these needs in the future.

3.2 Human capital

Data on the population numbers are unreliable, outdated, and do not sufficiently reflect the changes caused by the war. The strongest decrease in the number of population is evident in the areas that were heavily influenced by war (B&H, Croatia). This caused migration of population to their mother countries and abroad and raised the number of refugees in these respectively.

Region characterised by natural decrease which is among highest Besides the impact of the natural decrease of the population, out-migrations have also a negative impact on the total number of population in the area. Trend of the out migration has been present in parts of region for a decade (Bogatic, Donji Žabar, Lovas).

Compared with the general situation in the Western Balkans region, dependence and aging rates in the region of the Drina-Sava are somewhat better. Negative demographic trends are marked in municipalities Donji Žabar, Lovas and Bogatic.

Table 4. Demographic characteristics of Drina-Sava region

<table>
<thead>
<tr>
<th></th>
<th>Dependence ratio*</th>
<th>% of population 65+</th>
<th>% of population up to 15</th>
<th>Aging ratio **</th>
<th>Education</th>
<th>% of agricultural population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bijeljina</td>
<td>0.33</td>
<td>5</td>
<td>28</td>
<td>5.6</td>
<td><strong>44</strong></td>
<td><strong>45</strong></td>
</tr>
<tr>
<td>Brčko</td>
<td>0.48</td>
<td>14.3</td>
<td>18.37</td>
<td>1.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donji Žabar</td>
<td>0.59</td>
<td>25.66</td>
<td>11.6</td>
<td>0.45</td>
<td><strong>8</strong></td>
<td></td>
</tr>
<tr>
<td>Lopare</td>
<td>0.28</td>
<td>9</td>
<td>13</td>
<td>1.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ugljevik</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ilok</td>
<td>0.55</td>
<td>16.8</td>
<td>18.5</td>
<td>1.1</td>
<td>23.6</td>
<td>40.9</td>
</tr>
<tr>
<td>Lovas</td>
<td>0.6</td>
<td>22</td>
<td>16.0</td>
<td>0.71</td>
<td>34.2</td>
<td>35.8</td>
</tr>
<tr>
<td>Tovarnik</td>
<td>0.56</td>
<td>15.6</td>
<td>20.3</td>
<td>1.3</td>
<td>32.3</td>
<td>37.9</td>
</tr>
<tr>
<td>Nijemci</td>
<td>0.59</td>
<td>17.7</td>
<td>19.3</td>
<td>1.09</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Vrbanja</td>
<td>0.58</td>
<td>16.8</td>
<td>19.8</td>
<td>1.18</td>
<td>32.2</td>
<td>27.3</td>
</tr>
<tr>
<td>Drenovci</td>
<td>0.58</td>
<td>16.3</td>
<td>20</td>
<td>1.22</td>
<td>33.4</td>
<td>26</td>
</tr>
<tr>
<td>Gunja</td>
<td>0.52</td>
<td>13.9</td>
<td>20.2</td>
<td>1.45</td>
<td>28.5</td>
<td>37.2</td>
</tr>
<tr>
<td>Sremska Mitrovica</td>
<td>0.46</td>
<td>15.15</td>
<td>15.98</td>
<td>1.05</td>
<td>23.91</td>
<td>42.29</td>
</tr>
<tr>
<td>Sid</td>
<td>0.48</td>
<td>16.04</td>
<td>16.22</td>
<td>1.01</td>
<td>28.36</td>
<td>37.32</td>
</tr>
<tr>
<td>Bogatic</td>
<td>0.54</td>
<td>19.07</td>
<td>15.74</td>
<td>0.83</td>
<td>29.34</td>
<td>28.8</td>
</tr>
<tr>
<td>Loznica</td>
<td>0.45</td>
<td>14.29</td>
<td>16.66</td>
<td>1.17</td>
<td>22.29</td>
<td>44.97</td>
</tr>
<tr>
<td>Sabac</td>
<td>0.46</td>
<td>15.39</td>
<td>15.61</td>
<td>1.01</td>
<td>21.72</td>
<td>42.14</td>
</tr>
</tbody>
</table>

*population less than 15+population over 65)/population 16-65
**population up to 15/population 65+

In spite of negative demographic trends, the structure of the population (Table 4), according to age groups generally, is better than at the national averages. The share of population under 15 years is bigger, except in
few municipalities which were particularly affected by post-war out migration (Donji Žabar, Lovas, Bogatić). Relatively good age structure is significantly caused by more favourable age structure of immigrants.

Opposed to age structure, educational situation is less favorable, since there is a high number of people without education and low percentage of those with high education. Such situation is caused by higher share of rural population and the fact, that emigrants from the area are mainly well educated, while immigrants remaining in this region are mainly those with lower level of education. On the other side, higher share of people with university education is more evident only in the larger urban centers (Sremska Mitrovica, Loznica, Šabac, Bijeljina). Another important obstacle is the lack of specialized educations or skills and lack of continuous educational programs. Most of the existing education programs are usually not aligned with the actual labor market needs and do not give sufficient practical and applicable knowledge.

There are no reliable figures on employment rates and labour market. According to survey results, basic problems of the regional labour market include the following: lack of job opportunities, especially for the women and youths, and lack of long-term jobs (seasonal jobs prevailing). More than 60% of respondents perceived as a big problem this features of local labour market. On the other hand, age and educational structure of population, were rated as smaller problems. The existing human resources are not appropriate to the needs of the modern labour market. Although there are opportunities for professional training and prequalification on the whole territories, respondents cited lack of motivation and lack of affirmation of these programs, as the reasons due to which they are underutilized. A general impression is that despite the possibility of professional training, permanent education retraining, etc., the main problem is a lack of interest among potential users who have to acquire new knowledge.

3.3 Economic Structures

Although data on GDP (Table 5) are not comparable, in principle, it can be said that the GDP per capita of the region as a whole is at a level below the national averages in Serbia and Croatia, and above that in Bosnia and Herzegovina. This is also confirmed by data on the amount of average wages, compared with national averages. Donji Žabar and Lopare are the only municipalities in BiH whose GDP per capita is below the national level. In Serbia, Sremska Mitrovica and Šabac with GDP at about 80% of the national average, while in other municipalities, this percentage is lower. In terms of development and poverty level, the Croatian sub-area is the penultimate of all Croatian districts according to the Croatian Development index2 on regional competitiveness. This index ranges from 5% of the Croatian average in Gunja to 71% in Ilok.

Table 5. Economic structure

<table>
<thead>
<tr>
<th></th>
<th>GDP mun./ GDP national</th>
<th>Wages/national average</th>
<th>GDP structure (%)</th>
<th>No of firms/1000 inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>Bijeljina</td>
<td>117,82</td>
<td>97,59</td>
<td>9.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Brčko</td>
<td>138,99</td>
<td>97,22</td>
<td></td>
<td>20.3**</td>
</tr>
<tr>
<td>Donji Žabar</td>
<td>60,76</td>
<td>57,22</td>
<td>13.0**</td>
<td>20.3**</td>
</tr>
<tr>
<td>Lopare</td>
<td>38,29</td>
<td>83,16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ugljevik</td>
<td>174,59</td>
<td>132,28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ilok</td>
<td>73,00</td>
<td></td>
<td>21.70</td>
<td>24.40</td>
</tr>
<tr>
<td>Lovas</td>
<td>76,00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tovarnik</td>
<td>68,98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nijemci</td>
<td>54,39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vrbanja</td>
<td>48,38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drenovci</td>
<td>34,21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gunja</td>
<td>32,96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sremska Mitrovica</td>
<td>74</td>
<td>93,00</td>
<td>35,61</td>
<td>25,80</td>
</tr>
<tr>
<td>Sid</td>
<td>37</td>
<td>86,00</td>
<td>53,06</td>
<td>23,95</td>
</tr>
<tr>
<td>Bogatic</td>
<td>24</td>
<td>75,00</td>
<td>77,72</td>
<td>6,00</td>
</tr>
</tbody>
</table>

2 Development index in Croatia includes indicators as follows: income per capita, unemployment rate, income of public budget, population trends, and education rate. There are 5 groups of units (municipalities, cities, counties): I. Group= below 75% of Croatian average, II. Group= 75-100% of Croatian average, III. Group= 100%-125% of Croatian average, IV. Group= above 125% of Croatian average.
The most important sectors of regional economy are agriculture, processing industry and SMEs. These sectors are also identified in local strategies as key drivers of local development. In addition, some other sectors, such as construction, timber, metal chemical and clothing industries also have potential. Regarding the GDP structure according to sectors, the share of primary sector (agriculture and fisheries) is very large in the whole area (especially in Serb part of region). The share of secondary sector (industry, construction, mining, energy production) is lower compared to the national averages. Tertiary sector is much less represented, except in major cities except in major cities where trade and transport have a significant role in the economic structure.

More than 50% of respondents believe that primary obstacles that hinder the economic development of the region are high competition on local market and extremely low competitiveness on regional and international markets. More than 70% indicate lack of financial support and consulting services to entrepreneurship as important development obstacle. Other important issues that have to be addressed, especially in the predominantly rural parts of the region are ow level of innovativeness, lack of entrepreneurial spirit, lack of connectivity, networking of all stakeholders in supply chain, etc. On the other hand, a high percentage of respondents said that the quality of products and labour skills are not great problems of the local economy, but have more concern about possibilities for production of higher quantities of products. This obstacle at the same time presents a development opportunity for joint representation on regional as well as on international markets representing the strong base for further strengthening of the business and people in the region.

Regional labour market (Table 6) is very inconsistent in activity and the importance of certain sectors. According to incomplete and inconsistent survey results and official statistical sources, informal employment in agriculture is still high. Formal employment is distributed amongst several sectors: manufacturing; wholesale, transport, retail and repair and construction. Unemployment rates are fairly heterogeneous and relatively high in some municipalities. Some municipalities have a high employment rate in non-productive activities (public administration, education and health services), which is usually a result of delays in the reforms and rationalization of Public Sector’s. The share of people working abroad is significant in Bosnian part of region, indicating poor offer of jobs in the area and lack of attractiveness of the area for investment.

### Table 6. Characteristics of labor market

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Employment rate</th>
<th>Female employment rate</th>
<th>Share of adult social welfare beneficiaries on total labour force</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bijeljina</td>
<td>n/a</td>
<td>13</td>
<td>50.6**</td>
<td>37</td>
</tr>
<tr>
<td>Brčko</td>
<td>18,30</td>
<td>30,70</td>
<td>n/a</td>
<td>22.6**</td>
</tr>
<tr>
<td>Donji žabar</td>
<td>n/a</td>
<td>29.4**</td>
<td>50.6**</td>
<td>47.50</td>
</tr>
<tr>
<td>Lopare</td>
<td>n/a</td>
<td>29.4**</td>
<td>0.16</td>
<td>22.6**</td>
</tr>
<tr>
<td>Ugljevik</td>
<td>n/a</td>
<td>0.8*</td>
<td>22.6**</td>
<td></td>
</tr>
<tr>
<td>Ilok</td>
<td>14.2</td>
<td>41.13</td>
<td>4.80</td>
<td>17.90</td>
</tr>
<tr>
<td>Lovas</td>
<td>11.3</td>
<td></td>
<td>3.40</td>
<td>25.60</td>
</tr>
<tr>
<td>Tovarnik</td>
<td>19</td>
<td></td>
<td>3.51</td>
<td>20.70</td>
</tr>
<tr>
<td>Nijemci</td>
<td>28</td>
<td></td>
<td>3.43</td>
<td>21.40</td>
</tr>
<tr>
<td>Vrbanja</td>
<td>20.8</td>
<td></td>
<td>3.07</td>
<td>26</td>
</tr>
<tr>
<td>Drenovci</td>
<td>39.5</td>
<td></td>
<td>2.79</td>
<td>35.20</td>
</tr>
<tr>
<td>Gunja</td>
<td>15.22</td>
<td></td>
<td>4.09</td>
<td>42.60</td>
</tr>
<tr>
<td>Sremska Mitrovica</td>
<td>n/a</td>
<td></td>
<td>2.79</td>
<td></td>
</tr>
<tr>
<td>Sid</td>
<td>n/a</td>
<td></td>
<td>42,09</td>
<td></td>
</tr>
<tr>
<td>Bogatic</td>
<td>n/a</td>
<td></td>
<td>20-21</td>
<td></td>
</tr>
<tr>
<td>Loznica</td>
<td>n/a</td>
<td></td>
<td>35.20</td>
<td></td>
</tr>
<tr>
<td>Sabac</td>
<td>89.00</td>
<td></td>
<td>22.6**</td>
<td></td>
</tr>
</tbody>
</table>

Croatia: Average income per capita/national, of total employed population

### 3.3.1 Agriculture
The share of agriculture in GDP is the largest in the municipalities in Serbia, especially in Bogatić and Sid (40%). This percentage of agriculture in GDP in the Croatian territory of Vukovasko Srijemska County is about 20%, and the municipalities of Bosnia and Herzegovina of 9-13%.

Favourable geographical location on the edge of the Pannonian Plain and almost flat terrain allowed for the development of agriculture. As a result of the war in the early nineties, the Croatian side of the bordering area has still large land strips contaminated with mines or under the suspicion of being contaminated with mines.

Agricultural production in region has been dynamically restructuring in the past ten years. Significant funds have been invested in fruit and vegetable production, farm mechanization and facilities. The most common crops are cereals (wheat, corn, barley), vegetables (cabbage, watermelon etc.) and industrial crops (sugar beet). There is a large unexploited potential (Loznica, Šabac, Bijeljina) to heat the greenhouses with underground geothermal waters. Good practices already exist in Sabac area and in last couple of years proved that it is sustainable and cost effective production with huge potential for production of competitive and high quality products for international markets, too. Considering the large amount of available agriculture land, it can be noted that there is significant lack of good channel structures for irrigation and drainage.

The region is one of the main livestock production regions in the Western Balkan. Livestock production is dominated by intensive pig and cattle production. In the last few decades livestock production has had big fluctuations in the volume of production, especially of pigs and cattle (unstable market conditions, prices, irregular payments, etc.). Revitalization and renovation of slaughter houses and meat processing capacities could contribute to stabilized production and further development of this sector. Some parts of the region had strong support and trainings for introduction of proper manure handling systems and have big potential for utilization of agriculture biomas for energy production.

Despite the great potential of agriculture, there are certain restrictions on its development. For instance, the cooperation between the farmers is very weak and cooperatives and clusters are missing. Another problem is the undeveloped and unorganized market along with the poor logistics/processing infrastructure (cooling storages), which could sustain better business opportunities. Besides, particular constraints to development of agriculture are insufficient investments into promotion of agricultural products and improvement of standards and adoption of modern practices. Increasing number of producers is facing an additional problem: lack of seasonal labour force for seasonal work. If such unfavourable trends continue, they might seriously jeopardize further development of agriculture.

The region has a highly developed food industry, which is well integrated with the production of raw materials. The most important companies in the food industry operating in the region are: Sugar factories "Sremska Mitrovica", “Obrska”, dairy plants “Sremmil” and “Sremska mlekara”, “Viktoria oil”, “Uljarica”, “Agrocoop”, Mill industry “Lala Stanković”, Agriculture holding “Ogled”, Factory of agriculture mechanization “1.Maj”, Sava Semberia (vegetable & fruit processing), Bimal Brčko, “Bosna plod”, Agro group, Gold MG (cattle feeding), Agrex (eggs, chicken), Agro Koraj (cooperative), Iločki podrumi and Agro-Ilok (wine production), Agricultural cooperatives: “Lovas” and “Nova zadruga”, agricultural company “Vupik”, “Napredak” (cereal and livestock production), “Sekice” (cereal production), “Kulen Šokac” (cereal and livestock production, transport) etc. Operations of many companies in the region are threatened by unresolved property status, poorly conducted privatization, dysfunctional supply chains etc.

### 3.3.2 Tourism

Despite the natural, historical and cultural resources, tourism in the region is not sufficiently developed. Tourism today develops new destinations which particularly rely on natural resources, favorable climate and ecological conditions, historical diversity and reach cultural heritage. All these advantages open the possibility for the area to develop various types of tourism: ecological and cultural tourism, rural tourism, health and recreational tourism, gastronomic, excursions, hunting and fishing and recently also transit and business tourism.

Existing biological habitats and landscape variety are the also significant tourist attraction of this area. In addition to this there is rich cultural and gastronomic offer characteristic for the whole region. Even though the region is rich in different natural, cultural and historical heritage, level of visitors and overnights is extremely low in comparison to the national indicators. It is mainly visited by domestic tourists (around 90%), and more than 70% are diaspora. There is less than 30% of foreign tourist who most visited parts of the region. Different types of eco-tourism, such as protection, research, monitoring of the nature and
environment and education could be developed, along with various cultural-artistic contents and recreational and health tourism.

Region has also very rich archaeological pre-historical sites and cultural heritage. Very specific for this region is the existence of old roman cities and huge possibility for organization of joint offers and promotion of Roman roads, or similar types of joint products, including the following possibilities for economic development of the whole area.

The main problems of tourist sector in all sides of the border are: poor tourism infrastructure, lack of high-standard accommodation facilities, low level of marketing of cultural heritage, lack of information exchange within the tourism industry and co-operative marketing, undiversified tourist offer. Tourist attractions have not been sufficiently presented on the market.

3.4 Infrastructure

Electricity, water, sewage and other communal systems are not equally developed within the region. In general, electricity and water supply are acceptable, but sewage is poor and covers only the households in urban main centres. Electricity infrastructure needs to be reconstructed and modernized, the sewage system exists only in some parts of region, while the condition of water supply infrastructure is in bad state (aged – over 30 years old, insufficient capacity, presence of asbestos, etc.)

State of water supply network is unsatisfactory in around 10% of the territory - recorded losses on the network are high, while in the half of the territory it is fully functional. Equipment for waste water treatment either does not exist or is under-used and poorly maintained. Therefore, almost all waste waters are discharged mainly without any previous treatment. Organized supply with drinking water is not used by about five percent of the population. Regional water supply systems are partly renovated, but quality of drinking water is not satisfying in some parts of region due to the lack of waste water management system, for both households and the industry.

The state of infrastructure

Source: Survey...

The penetration of electric power network is 100%. Due to the increase of consumption and new customers, existing low-voltage network in some parts of the area, around 7% of the region, does not fulfill the needs and standards. The large investments were undertaken in areas affected by war in the renewal and upgrade of the electricity supply system as well as in distribution system. As for the gas supply rate of connected households to the pipeline gas varies. However, the common case is larger density of the gas supply infrastructure in urban areas and surrounding settlements. Conducted research show that less than 20% of the area is not covered with gas pipelines.
Waste management and the issues related to it are one of the most serious environmental challenges. Insufficient capacity of existent landfills and many landfills with no standards for waste disposal/management (illegal) are listed by more than 90% of local stakeholders as major infrastructural problems. More than 60% of settlements do not have collectors for waste treatment at all, while it is sufficient only in around 10% of the territory.

Even though the transports connections (especially road transport), in the region are good, local roads are not in good shape. One of the reasons is that they are not properly maintained or because they are not in good shape or they are damaged and usually without appropriate road signalization.

The network of border crossings is well organized and does not hinder the movement between countries. There are several border crossings on selected territory:
- Five international border crossings between Croatia and Serbia: with the bridge over Danube near Ilok and four more in Srem area near Ilok (two border crossings), Tovarnik and the Lipovac (on the corridor X motorway);
- Two international border crossings between Bosnia and Herzegovina and Serbia in Sremska Rača – Bosanska Rača, Ljubovija – Bratunac, Pavlovica most (Badovinci)- Popovo polje
- **Border crossing between Bosnia and Herzegovina-Croatia** - Jamena- Jamena

It is expected that after the accession of Croatia into EU, transport between the countries will be limited, which will certainly have an impact on reduced mobility in the region.

### 3.5 Culture and local heritage

Built environment, quality of housing and architecture according to almost half of the stakeholders is vary significantly within the region. In majority of settlements there are spots where traditional architecture is well preserved. Good quality of housing, with modern architecture, but not well organized, is found in Bijeljina, Srem and Šabac. Some examples of relevant architecture is present in Brčko (Srpska varoš), Ilok, Sremska Mitrovica, Šabac and Šid (well preserved buildings and houses from the XIX century). Unfortunately, there are landscapes, infrastructure and environmental entities that have been devastated during the war and up to nowadays have been partially renewed (the Croatian part of region and in Lopare in Bosnia-Herzegovina.). Monuments and landmarks across the region are represented by sacral objects and memorial places from XX century wars.

Various cultural heritage sites include archaeological relics from Roman and pre Roman period, attractive churches, fortresses, castles, ethnological heritage, old wine cellars and monuments from recent history. Unfortunately, most of them are not in condition to be presented to tourists. Some buildings were damaged during the war, while part of them are not maintained, restored, and as such are not attractive for tourists. Another significant potential of the region are the hunting areas which is considered as important development potentials by more than 85% of respondents.
The specificity of the local architecture and monuments, are low rated by local stakeholders compared with other cultural resources. Tourist attractiveness of these sites is given lower priority in relation to natural resources and local events by more than 85% of stakeholders, which confirmed the view that historical values are not sufficiently recognized and affirmed.

Traditional local food products are: Ilok wine (including a wine route), cured meat products ("Sremski kulen"), cabbage from Semberia, watermelons, plums, šljivovica (plum brandy), fruit brandy, bestilj (plum marmelade), medical herbs, wine, mangulica pig, mangulicas bacon and Donkey milk from Zasavica. Traditional handicrafts include: wood industry, embroidery, needlework (Zlatnav教练, necanje, beli vez), weaving (Loznica) and basket knitting (Brčko).

Most important feature of local cultural heritage are: Sirmium roman fortress in Sremska Mitrovica, stećci (grave stones), and local cultural and social events with long tradition ("Vukov sabor", "Šabacki vasar" „Ilok grape harvest” and many other events of local importance). Rich ethnological heritage is presented on many traditional festivities round the region. Regional events that are organized in cooperation with the cross-border municipalities are „Divan je kiceni Srijem“ and „Sirmum folk fest“.

More than 60% of the municipalities from the region stated that they have some funds on local level for support to valorization of cultural resources. Other significant sources are obtained from the donor funded projects (47%) and national funds (37%).

### 3.6 Social and institutional capital

Gender balance (in the part of the region for which there is a unified data) is severely degraded. Demographic statistics indicate that male population prevails from 10% (Nijemci) to 19% (Gunja and Šabac) with respect to female population. For historical reasons the border areas contain one of the most ethnically diverse populations in Europe. The ethnic diversity of the population is the largest in municipalities Ilok, Gunja, and Sid, where 1/3 to 1/4 of the populations are ethnic minorities. The Roma population is represented in the Bosnian part of the region and the municipalities of Šabac and Loznica.

Civil Society Organizations (CSO's) in Bosnia have focused on humanitarian work and cultural activities. In other municipalities CSO's focus on sports associations (Table 7.). The most developed network of civil organizations is present in the Croatian municipalities in which the activity of CSOs is based on the tradition and cultural identity. Some CSO's in the region appear to have very good experience in the access to funds from the state budget and international organizations (donors). Some funding is provided partly from the pre-accession EU funds, which is very valuable in the context of the potential capacity to use EU funds. Therefore, closer cooperation between local authorities and civil society organizations on joint projects for IPA and Structural Funds for the future could bring many benefits for the social development of local communities.

<table>
<thead>
<tr>
<th>Table 7 Development of civil society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilok</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>The number cultural and artistic associations</td>
</tr>
<tr>
<td>The number of sporting clubs</td>
</tr>
<tr>
<td>Number of organizations involved in environmental protection</td>
</tr>
<tr>
<td>Number of organizations that deal with socio-economic issues</td>
</tr>
</tbody>
</table>

There are big urban centres in the region and therefore a number of institutions for development support, fund raising and banking, including the government and regional agencies on the local level. The fact that the region has a relatively developed business sector contributed to this significant presence of development agencies in the region.
Development projects and activities are generally managed by the regional agencies or municipal teams which are dealing with development and programming. However, they have a small number of employees responsible for such activities and their sources of funding are unpredictable. Municipalities usually co-finance by own funds project preparation and project documentation, but only a few of them have a regular budget line for this purpose.

Most municipalities have adopted development strategies and/or development programs. Development documents have been adopted in cooperation with civil society sector. Municipalities support the work of civil society organizations by providing co-financing projects, professional assistance in preparing and implementing projects.

The projects implemented in cooperation with neighbouring municipalities are mainly related to Infrastructure (roads, building of landfills, environmental protection etc.).
4 SWOT ANALYSIS

The objective of area’s analysis is to find a way to develop competitiveness of whole area, but also competitiveness of each community and each territory’s stakeholder. It means, the goal of this analysis is to find a way to make whole area more open, ready cooperate and innovate and ready to take higher responsibility for development as a basic precondition to make area more attractive and more suitable for young, skillful, motivated working force, for responsible and innovative investments, for all types of final consumers (image), for motivated entrepreneurs, development projects/intervention and donor support. Competitiveness of area is built on social competitiveness, environmental competitiveness, economical competitiveness and capability to find proper position within globalised world.

Social competitiveness is defined by ability of the players involved to act effectively together on the basis of shared identity, values and conceptions, which strongly depend on cooperation between the various institutional levels.

Environmental competitiveness is build upon ability of the players involved to make the most of their environment (physical, natural, socio cultural, business) turning available resources into assets and by finding and defining a “distinctive” element of the area upon which area’s internal cohesion and external recognition and visibility is build. Important part of environmental competitiveness is capability of area to ensure that their natural resources and heritage are revitalized and preserved, or better to say ready to be used by next generation. In such way environmental competitiveness is a pillar of sustainability of area development.

Economic competitiveness represents area’s ability to follow market trend utilize market opportunities in such way to create and retain maximum added value trough raising synergy between sectors, resources and peoples turning their combined resources into assets for enhancing the adaptability, attractiveness and distinctiveness of their local products and services.

In addition, area’s competitiveness is strongly defined by its ability to find suitable position in the global context by increasing its resilience. This area’s capability is based on ability of the players involved to develop fully their territorial plan in order to define area’s role in relation to other areas and to the outside world in general and to ensure its internal cohesion, synergy and its viability within the global context.

Sava Drina area competitiveness level has been assessed applying concept of six capitals necessary to build up Symbolic capital which is key pillar to be successful developing area’s competitiveness.

Figure 4.1. Aproach to assess area’s competitivenes – six capital dimensions
The six capital will be assessed from the perspective of its contribution to the four types of skills necessary to build up area’s competitiveness. Those skills include skills to assess their environment, skills to take joint action, skills to create links between sectors by ensuring that maximum added value is retained, and lastly skills to liaise with other areas and the rest of the world.

The analysis is performed through few stages:

i. Analysis of current state of six capital development explaining its actual expressions, pressures, development or cohesive capability. For this purpose detailed SWOT matrix for each capital has been developed. On the basis of this matrix current state of capital dimension development has been assessed by marks 1 to 10 where mark 1 to 4 means that level of capital development is limitation; mark 4 to 6 means that current capital status has neutral impact, 7 to 8 means capital dimension is well developed and can drive development.

ii. Their relationship and effects on main economic activities of the area to identify strategic direction for faster development. This will be assessing trough exercise of capital dimension influence on future development of main economic activities in the region (it will be done using same marks range from 1 to 10). This analysis will be base to define what is needed to induce faster development.

iii. Definition of vision and identification of priority areas that has to be focused through strategic plan, or better to say definition of future expected level of Sava Drina area competitiveness

4.1 Current stage of six capital tapes development

The main goal of this phase is to provide detailed description about area’s internal characteristics that can shape future development. In the same time pressures and opportunities that external environment is offering will be explained as well. These descriptions should to identify roots of current/future problems that can be used to increase all aspects of area’s competitiveness.

4.1.1 Environmental capital

**Actual expression** – generally speaking area’s natural resources and biodiversity are rich, diversified, and can be anchor for development of distinctive element of area to build up. Natural resources are not mapped, there are no enough information about its quality, status and potential. Basic infrastructural net exist, but realistic plans about its future development are missing. Area has excellent geostrategic position and its connection with main transport roads, countries capitals is well developed.

**Pressures** – there are unrecognized internal/external industrial pressure (neighboring areas are centers of old type of industry), while solid waste mng. and sewerage remain to be main sources pressure. In the same time good agricultural land is endangered by economic development (BIH, SRB) and unsustainable ag. practice is recognized as a important polluter of underground water.

**Maintenance** – very traditional approach to environmental mng. and natural resources valuation with no actions to clear information about current status, sources of risk and monitoring system - the integral environmental mng. system does not exist which makes institutional measure of enviro. protection less efficient and almost. The local budgets are too small to provide sufficient funds for adequate maintenance and development, so they depend on donor activities and national support.
Internal (area’s) recognition is on incremental level, blurred knowledge about its potential with no clear idea how to put in use existing capital and transform it in assets that will be base of future development. There are no clear understanding that environmental capital is basic element on which future area’s cohesion, capability to raise joint actions/interventions, competitiveness, external recognition and valuation and area’s attractiveness has to be build.

Table 4.1.1 Detailed description of current status of environmental capital

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Internal factors</th>
<th>External factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strengths</td>
<td>Weaknesses</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Very rich and abundant</td>
<td>Low internal awareness and availability of written data and information - unused</td>
</tr>
<tr>
<td>Autochthonic flora and fauna</td>
<td>Very diversified, rich and specific – DISTINCTIVE element of the area</td>
<td>Low internal awareness and availability of written data and information - unused</td>
</tr>
<tr>
<td>Soil</td>
<td>Very good, fertile agri. land</td>
<td>Land management (fertilization), low level of utilization</td>
</tr>
<tr>
<td>Landscape</td>
<td>Diversified, not boring, there is no monoculture, old forest, nice rivers</td>
<td>Not so attractive in comparison with other neighboring regions, the specific sites are not recognized and known</td>
</tr>
<tr>
<td>Rivers</td>
<td>Abundance of waters with rich, specific biodiversity</td>
<td>Unused, poor mng., big pressure of agriculture, waste mng. And river transport – high risk of degradation, low capacity to retain value added</td>
</tr>
<tr>
<td>Geothermal waters</td>
<td>Abundance of resource, existing well known spas, internal demand</td>
<td>Low utilization – it is used only for spa not for agri. production, heating, low capacity to retain value added</td>
</tr>
<tr>
<td>Forest</td>
<td>Oak forest, rich and specific biodiversity, hunting, mostly preserved and only occasionally exposed to excessive felling - DISTINCTIVE element of the area</td>
<td>Low utilization of forest (timber industry, forest fruits etc.) poor management, afforested land, no certification (FSC), low capacity to retain value added</td>
</tr>
<tr>
<td>Control of pests and illness migration/allergens control</td>
<td>There awareness that this is important area requesting joint action</td>
<td>There are no needed documents, approved plans and integral monitoring of pest migration</td>
</tr>
<tr>
<td>Solid waste management</td>
<td>High level of awareness and set of activities/plan to improve situation</td>
<td>Poor mng. and lack of funds (small local budgets), number of non-sanitary and &quot;wild&quot; damps, dumpsites poorly equipped without recycling facilities</td>
</tr>
<tr>
<td>Sewerage</td>
<td>Basic network in urban areas exist, plans to build up cleaning facilities</td>
<td>High pressure on water resources, no adequate cleaning facilities, in rural areas there are &quot;old-</td>
</tr>
<tr>
<td></td>
<td>Documentation has been formed</td>
<td>Fashion” septic tanks</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td><strong>Water supply</strong></td>
<td>Good net with high level of coverage</td>
<td>Poor and non efficient mg., high level of local water supply systems</td>
</tr>
<tr>
<td><strong>Irrigation/ climate change</strong></td>
<td>Limited activities, alternative irrigation systems, existing awareness</td>
<td>Not recognized problem by local administration, lack of knowledge and investments</td>
</tr>
<tr>
<td><strong>Prevention of natural disasters – flood, fire etc</strong></td>
<td>Existing system, awareness that it is not sufficient</td>
<td>Low budgets and capability to face those events</td>
</tr>
<tr>
<td><strong>Prevention of pollution, waste production, recycling</strong></td>
<td>Limited local commitment and awareness</td>
<td>Lack of knowledge, adequate mg. practice, lack of investment funds, there are no system “polluters pays”</td>
</tr>
<tr>
<td><strong>Electrical energy</strong></td>
<td>100% of coverage</td>
<td>Stability and sustainability of system</td>
</tr>
<tr>
<td><strong>Energy efficiency/green energy</strong></td>
<td>Awareness and set of activities exist (incremental phase of development)</td>
<td>Lack of knowledge, slow administration, poor accessibility of new technology. Low commitment of local government</td>
</tr>
<tr>
<td><strong>External relationships</strong></td>
<td>CBC projects, regional development agencies</td>
<td>Poorly developed, capability to lobby very low, poor capability to recognize common objectives and to raise trust and motivation for joint actions</td>
</tr>
<tr>
<td><strong>IT and ICT and TV</strong></td>
<td>Basic infrastructure exist</td>
<td>Poor usage to map and understand distinctive elements of area and to promote area</td>
</tr>
<tr>
<td><strong>Transport infrastructure (roads, rails, ports)</strong></td>
<td>Good basic infrastructure, good connection with main international transport routes</td>
<td>Internal public transport is poor, maintenance is poor, there are development plans</td>
</tr>
<tr>
<td><strong>Pollution status</strong></td>
<td>Awareness about problems with waste mg., agriculture, recognized need for joint action</td>
<td>Industrial pressure is not recognized, efficiency of enforcement mechanisms, monitoring system.</td>
</tr>
</tbody>
</table>

### 4.1.2 Cultural capital – identity and share values

**Actual expression** – rich, long history connecting different civilizations and cultures. There are no easy and ready to use data about culture, tradition and identity of region is not defined clearly. The question who we are and what we stand for is not still recognized as an important element of area’s attractiveness. The basic cultural infrastructure exist, its development is project donor driven. The specificity and richness of the area’s cultural, historical and traditional heritage is not recognized. There are no any internationally recognized touristic product which attractiveness is based on rich history. It is still undiscovered treasure.

**Pressures** – the architectural heritage is not properly recognized, poor use, lack of joint activities to support private actions to protect and promote it, the strong identity based on very specific cultural/historical heritage is missing.
Maintenance – there are very traditional approach to cultural heritage without easy available and ready to use information about specificity of the region, dependence on donor support, while some local funds are available in all communities.

Poor capability to build up modern products on the traditional knowledge and technology, poor capability to valuate extremely rich and very specific cultural heritage and tradition through innovative and modern products in line with market needs and strong quality standards is the main problem of the area. The cultural heritage is not transformed into assets or used to build up strong identity, cohesion and to raise joint actions/interventions.

Table 4.1.2 Current stage of cultural capital development

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Treats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built environment, quality of housing and architecture</td>
<td>There are still cores (centers) of very</td>
<td>New development, deterioration of village architecture, low awareness about value of specific architecture, mechanisms to promote traditional style of building are missing.</td>
<td>Market trends promotes cultural tourism, EU integration process – funds to preserve cultural identity</td>
<td>Neighboring area’s are more attractive in this respect and have integrated touristic products</td>
</tr>
<tr>
<td>Cultural heritage sites/monuments</td>
<td>All area is very rich with historical sites (roman and others) and different monuments</td>
<td>Innovative approach to site protection and valuation is missing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural/sport events</td>
<td>Set of developed events with few years of tradition, NGO sector ready to work on this issue</td>
<td>Events are more of local nature, not well promoted and not scheduled to cover whole year – there are no coordination, there are no emphasis on simple, easy to finance events, low sustainability of events</td>
<td>Interest and curiosity of young people to discover nature and new experiences.</td>
<td>Level of recognition of such events in wider region, WB, EU – strong regional competition</td>
</tr>
<tr>
<td>Ethnological heritage</td>
<td>Rich, diversified, multicultural with many aspects that can be used as anchor for stronger area’s cohesion</td>
<td>There are no systematic actions to records heritage and to protect it, poor ability to valuate it. Lack of experts.</td>
<td>Global interest for ethnological heritage and good “easy to digest” stories about history</td>
<td>Compeition of better prepared and organized neighboring regions. Low awareness about specific aspects of this heritage.</td>
</tr>
<tr>
<td>Food and drink Crafts and traditional knowledge</td>
<td>There are set of specific in the WB are recognized.</td>
<td>They are similar to products of neighboring areas. There are no record of traditional products</td>
<td>Change in traditional pattern of consumption, global increase of interest in gastro culture</td>
<td>Traditional products are not well known outside the border of former Yugoslavia.</td>
</tr>
<tr>
<td>Cultural infrastructure</td>
<td>Basic cultural infrastructure is developed, there some tradition in maintaining them, there are awareness about its value.</td>
<td>There are no systematic measures to develop it further. Dependence on project and donor base. Low availability to raise synergy within all economy sectors and to become driver of innovations.</td>
<td>EU financed programs, SWG lobbying capacity, CBC projects.</td>
<td>Decreased donor interest</td>
</tr>
</tbody>
</table>

4.1.3 Social capital

It is important to underline that there are ongoing debate about the most appropriate ways to measure social capital and there are no clear consensus how to do it. So, here very pragmatic and narrow approach to evaluate current state of social capital development (based on civil society, business association development and corruption level) has been used.
**Actual expression** – number of smalls CSOs mostly oriented towards culture and sport. Only few of them are working on development issues. Culture of cooperation, volunteerism and generation solidarity has been deteriorated.

**Capability** – it is in incremental phase, its development is mostly externally driven and donor dependent with low sustainability and capacity to grow. It does not ensure easy, efficient transfer of information and knowledge.

**Cohesion** – currently its cohesion role is very limited, specially to support faster integration of whole CBS Sava-Drina area.

**Development of social capital is not entrepreneurs driven. Its development (especially business associations, cooperatives etc) is based on experience and work ethics from past (socialistic era) which is main obstacle of its future development. Small, under developed and underequipped CSOs are not ready to become main cohesion factors. Currently social capital has low capability to bring private objectives together with those of whole area and community and to define area’s role at globalised modern world.**

**Table 4.1.3 Current state of social capital development**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Treats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Civil society organizations</strong></td>
<td>Number of CSO being active in the region</td>
<td>Small localized with no capacity to raise joint actions, their capacity to raise cohesion, trust and to promote joint identity is poor. They are mostly focused on sport, culture without</td>
<td>Strong trend of CSO development and networking – it is supported by</td>
<td>Pressure of globalization and global ec crisis – restriction in funds available</td>
</tr>
<tr>
<td><strong>Business associations, cooperatives</strong></td>
<td>Number of ag. cooperatives, few development agencies, LAGs exist. The basis for faster development exist.</td>
<td>Small with no business focus, with low capacity to retain value added, with low capacities to develop marketable services for members, lack of understanding of basic cooperatives principles and They are focus to retrieve former social and market status – low capacity to recognize needs of modern globalised society</td>
<td>Trend of social entrepreneurship promotion and valuation – access to capital and markets Trend of clustering and value chain development</td>
<td>Big MNC and very successful regional associations and other international competitors. Change business cooperation culture and requests for high standards, traceability and flexibility. Risk of further economic marginalization</td>
</tr>
<tr>
<td><strong>Cross border cooperation</strong></td>
<td>Number of project is higher then national average</td>
<td>CBC is mostly focused on human resource development with low project sustainability and without synergy between projects – no vertical and horizontal cooperation</td>
<td>Strong interest of EU to induce harmonized development of whole territory, SWG lobbying capacity</td>
<td>Pressure of global economic crisis – less funds available and change in development priorities</td>
</tr>
<tr>
<td><strong>Culture of volunteerism</strong></td>
<td>There is tradition of volunteerism promoted by schools, CSOs and partly by way of living.</td>
<td>Decline in the relationship of solidarity between generations, few promotion programs</td>
<td>International, EU and regional initiatives to promote volunteerism and connection between people.</td>
<td>Pressure of modern society, globalised culture, fast way of living, superficial/instant culture</td>
</tr>
<tr>
<td><strong>Informal sociability (way of living)</strong></td>
<td>Strong – part of way of living, strong potential to build cohesion and distinctive identity of area</td>
<td>Recent past, political instability, low level of trust in these programs</td>
<td>International, EU and regional initiatives to promote volunteerism and connection between people.</td>
<td>Pressure of modern society, globalised culture, fast way of living, superficial/instant culture</td>
</tr>
<tr>
<td><strong>Economic and political discrimination (gender, returnees, etc)</strong></td>
<td>It is recognized as a problem and some basic step to prevent any type of discrimination are</td>
<td>High risk to be exposed to different types of discrimination – gender, age, employment, political etc</td>
<td>Pressure of signed agreement – national plans to fight all types of discrimination</td>
<td>Poor regulatory and institutional framework at national and regional level – lack of mechanism to protect different rights</td>
</tr>
<tr>
<td>Characteristics</td>
<td>Strengths</td>
<td>Weaknesses</td>
<td>Opportunities</td>
<td>Treats</td>
</tr>
<tr>
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<td>--------</td>
</tr>
<tr>
<td>Local administration</td>
<td>Permanent strengthening of local administration, better transparency and communication with population (web page), cooperation with other communities is focused on infrastructure</td>
<td>High level of birocratisation, poor skills to answer to the requests of modern governance, low use of ICT in decision making and communication, cooperation with other communities is not streamlined and focused to solve developmental issues, low capability and willingness to share scarce resource and experience</td>
<td>EU programs and initiatives to promote capacities of local administration.</td>
<td>Strong impact of global economic crisis on local communities</td>
</tr>
<tr>
<td>Development documents, sub laws</td>
<td>Basic documentation exist. Strategic development documents are developed as reaction</td>
<td>Strategic documents focus local, sector needs without clear connection with national plans and objectives, lack of clear</td>
<td>Structural funds enabling sectors and countries to prepare strategic documents.</td>
<td>Fast change of global economic outlook – need to be more flexible. National documents (requested strategies,</td>
</tr>
</tbody>
</table>

### 4.1.4 Institutional capital

**Actual expression** – local administration is improving each day. Institutional cooperation internal and external is ad-hock, reactive with no clear strategic objectives due to lack of cooperation and communication between institutions which is driven by high level of decentralization without clear division of responsibilities and mandates. At national level there is lack of institution activities, cooperation and coordination as well as key documents are not still fully developed.

**Capability** – institutions are not fully developed, but there is trend of its permanent improvement. Still institutional capital is not developed enough to induce synergy between sectors transforming their resources in assets.

**Cohesion** – institutional capital is partly developed so its cohesion role is limited. Still it is not developed enough to ensure successful positioning of area within wither region.

*Local administration is not ready to take over full responsibility for local development and quality of life improvement. They are still lacking skills and knowledge to accept rules and modus operand of new public governance. Their capability to make strategic development alliances with others communities (internally and cross boarder) is still limited by lack of political will and acceptance from national government.*

Table 4.1.4 Current state of institutional capital development
to external pressure or opportunity (low ownership of documents) | procedures how to perform governance, lack of capability to recognize stakeholder needs, lack of political will to involve stakeholders in the process of governance quality evaluation | plans and programs) are not developed fully

| Monitoring and evaluation of public policies | It is partly established trough development of internal procedures for public fund spending. | Monitoring is seen as a tool of control, not as a tool of improvement and mechanism to make results of public efforts/policies visible. There are no data bases necessary to monitor actions. Actions proposed by evaluation are never implemented. | The request of modern governance and market integration process (WTO etc) | The tradition and practice of public policies monitoring and evaluation does not exist at national level. That concept is not understand, promoted and applied properly.

| Funds available for development | There are local and national and international funds available | Accessibility of national and international funds is not too high (bank collateral, credit lines etc). Local funds are small, shrinking | Process of EU integration and availability of development funds, presence of development agencies | Stronger competition of other regions at national and international level | Impacts of economic crisis

| Capacity to prepare and lead EU projects | The fair capacity to be part of the project exist. It is obvious that regional networking works. | Projects are prepared by foreign company – external influence, low ownership and sustainability. The regional networking is based on | Process of EU integration and availability of development funds, presence of development agencies | New rules and requirements

| 4.1.5 Human capital |

*Actual expression* – Region faces strong decrease in natural growth, but still shows some signs of vitality – dependence rate is lower comparing to WB average. The official education and social protection net is developed providing very basic services that are not in line with modern labor market and society need. The basic structures of information and technology transfer exist, but its communication and cooperation is very low decreasing its efficiency. The signs of brain-drain exist.

*Capability* – partly lost traditional local knowledge, skills, crafts together with low entrepreneurship skills and spirit and lack of “culture of optimism” strongly reduces capability of human resources to contribute, to create and retain value added. Due to that fact area has fairly low capacity to recognize individual needs and needs of community to put them in perspective and find “magic way ahead” towards progress. Still area’s capability is on average WB level in some cases better then national average.

*Cohesion* –. Decline in relation of solidarity between generation, relatively high dependence ratio and “culture of optimism” have negative impact on human resource capability to strength area cohesion. Still traditional way of living (strong family relations) and cultural diversity promote cohesion of the area.

*The lack of skills and knowledge that are requested by non-traditional economy/industry activities together with lack of entrepreneurship skills, culture of optimism and opens for new ideas are main drivers behind fairly poor human resource capabilities and social and environmental competitiveness All this together with low efficiency of technology transfer system have strong effect on area’s capability to adopt technology and to innovate. So, focus of intervention has to be on development of efficient LLLL system which will be integral part of technology transfer system and anchor for all activities focusing business and social performance improvement.*
<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Treats</th>
</tr>
</thead>
<tbody>
<tr>
<td>National increase and out-going migration</td>
<td>National increase is very low with high level of outgoing migrations</td>
<td>Liberalized WB/EU labor market</td>
<td>Strong negative impact of global economic crisis and low efficiency of national policies in this area</td>
<td></td>
</tr>
<tr>
<td>Dependence ratio</td>
<td>In comparison with others areas of WB</td>
<td>Decline in the relationship of solidarity between generation</td>
<td>Labor demand decrease – high unemployment in neighboring EU regions</td>
<td>Strong negative impact of global economic crisis and low efficiency of national policies in this area</td>
</tr>
<tr>
<td>Successors for crafts, services (house reparation) and agriculture – lost traditional knowledge and skills</td>
<td>Lack of successors for family business – craft, skillful services, agriculture; traditional technology, knowledge and products are endangered; this problem is not fully recognized – long term impacts</td>
<td>Labor demand decrease – high unemployment in neighboring EU regions</td>
<td>Strong negative impact of global economic crisis and low efficiency of national policies in this area</td>
<td></td>
</tr>
<tr>
<td>Education infrastructure</td>
<td>Well developed network of primary and secondary education, Universities centers exist or they are available in neighboring communities</td>
<td>Very low level of investment in education infrastructure development, low efficiency of educational system</td>
<td>WB/EU, UNICEF initiatives to improve educational infrastructure, national policies in this area</td>
<td>Better educational infrastructure in neighboring regions can increase out-going migration</td>
</tr>
<tr>
<td>Technology transfer and Extension services</td>
<td>Some parts and bits of technology transfer system exist</td>
<td>There are no communication, cooperation and coordination between institutions responsible for technology transfer. There are no activities to establish mechanism which will allowed share of scarce resources and exchange of experience</td>
<td>EU, UNESCO and National initiatives to improve system of technology transfer</td>
<td>Lack of strategic documents regarding development of soft infrastructure, global economic crisis impact (budgetary constrains), low public and private investment in technology transfer, lack of policies to motivate investment in R&amp;D</td>
</tr>
<tr>
<td>Entrepreneurship skills and spirit</td>
<td>The awareness that this is major problem of the region; some partial and individual initiatives has been implemented</td>
<td>Recognized as the most important limitation of future faster development. Entrepreneurship education is not fully available within official educational system</td>
<td>The EU and WB initiatives to increase entrepreneurship skills and spirits, CBC</td>
<td>Lack of national level policies; part of way of living style</td>
</tr>
<tr>
<td>LLL and vocational training</td>
<td>Long tradition of LLL system</td>
<td>This areas is not well regulated and organized; poor investment in LLL system; lack of understanding how system should work within existing institutional framework; high donor dependence</td>
<td>The EU and WB and national initiatives to develop efficient institutionalized LLL system</td>
<td>Budgetary constraints and lack of donor community interest</td>
</tr>
<tr>
<td>Specific knowledge for non-traditional industry</td>
<td>The awareness about this problem has been raised</td>
<td>Lack of efficient centers of knowledge and demonstrational facilities as well as; trend of lagging behind can decrease opportunities to “import” such knowledge – to became part of innovation networks</td>
<td>Internationally funded projects as a sources to acquire such knowledge</td>
<td>Faster development of such knowledge in neighboring regions; lack of donor community interest; “closed” innovation networks</td>
</tr>
<tr>
<td>Culture of innovation</td>
<td>There are tradition of innovations in everyday life</td>
<td>Lack of efficient centers of knowledge and demonstrational facilities as well as; trend of lagging behind can decrease opportunities to “import” such knowledge – to became part of innovation networks</td>
<td>EU/WB initiatives and policies too boost innovation; FDI</td>
<td>Faster development of such knowledge in neighboring regions; lack</td>
</tr>
</tbody>
</table>
There are initiatives and small events that boost optimism. It is easier to be “in depression” – alibi for lack of personal initiative; it becomes strong part of way of living.

4.1.6 Economic capital

**Actual expression** – currently economic capital is based on “traditional industry” which development is still factor driven which is in line with general national economic development (except Croatia). There are problem with quality and productivity issues. Transaction costs are higher due to unharmonised national legislation, poor national institutional development and efficient logistic (transport, warehouse system etc.).

**Capability** – currently area’s economy competitiveness is low, but there are a lot of room to raise synergy trough tighter cooperation and increase of market recognition.

**Cohesion** – the existing economic development is result of individual actions with very low level of cohesion and integration within wider

Currently the lack of entrepreneurship spirit together with poor social capital and lack of efficient business development support decreases area’s capability to induce faster development and utilize evident external opportunities. In addition, main treats to further economic capital development are negative impacts of global economic crisis and competitors – territories with longer tradition, higher cohesion and more pronounced identity.

The unfavorable economy structure, low SME investment potential together with lack of efficient collaboration with centers of knowledge decreases value of economic capital and its ability to cope new global challenges.

**Table 4.1.6. Current development status of economic capital**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Treats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of industry, economic activities</strong></td>
<td>Economic sectors are complimentary potential to raise value chains and synergy</td>
<td>Traditional industry with low ability to retain value added within area</td>
<td>Recognition at regional market, old business connections</td>
<td>New more flexible industries with better performances</td>
</tr>
<tr>
<td><strong>Size - structure</strong></td>
<td>Mostly small and medium size companies with low level of FDI</td>
<td>Poor business performances (high costs, low productivity, low quality) due to lack of economy of size and scope</td>
<td>Existence of well developed attractive value chains within WB and EU context</td>
<td>Multinational companies with higher business performances and ability to innovate</td>
</tr>
<tr>
<td><strong>Tradition</strong></td>
<td>Long tradition of industrial and agricultural industry as well as hospitality sector</td>
<td>Lack of tradition in modern tourism, lack of flexibility and readiness to change and innovate</td>
<td>Recognition at regional market, old business connections</td>
<td>New modern industries able to follow new market trends and business practice</td>
</tr>
<tr>
<td><strong>Environmental efficiency</strong></td>
<td>Internal perception that industry is not dangerous polluter, small size make it easier to manage all kind of waste</td>
<td>High pressure of old technology, low energy efficiency, low water efficiency (national average), low activities to prevent waste creation and to recycle.</td>
<td>Regional initiative for “greening industry”, availability of environmental funds (international and EU and national)</td>
<td>Low national capability to develop efficient mechanisms to prevent pollution</td>
</tr>
<tr>
<td><strong>Value chains</strong></td>
<td>There are no language barriers, old business</td>
<td>Internally value chains are still connected with higher</td>
<td>Existence of well developed attractive</td>
<td>Unharmonized national legislation, borders and</td>
</tr>
<tr>
<td>connections and tradition of cooperation and easy access to market information</td>
<td>transaction, quality, traceability costs, barriers connected with recent history</td>
<td>value chains within WB and EU context</td>
<td>costs connected with them</td>
<td></td>
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</tr>
<tr>
<td><strong>Quality management – quality signs</strong></td>
<td>Awareness that quality system is precondition to reach attractive markets, availability of know-how and consultant services</td>
<td>Low capability to invest in quality systems, low understanding of all benefits of quality systems, lack of guarantee system to ensure performances of consulting companies, lack of internal knowledge and HR capabilities to implement QS</td>
<td>EU initiatives and regional offer of knowledge and consultancy.</td>
<td></td>
</tr>
<tr>
<td><strong>Availability of “smart services”</strong></td>
<td>Awareness about “smart services” necessity</td>
<td>Poor offer of “smart services” (marketing innovation, product development, design etc), high costs, lack of tradition to use them</td>
<td>WB regional networking and possibilities to use high quality services form the region</td>
<td></td>
</tr>
<tr>
<td><strong>Labor market</strong></td>
<td>High level of unemployment, availability of working force, availability of skill workers</td>
<td>Brain drain, low availability of workers with skills requested by modern economy, high costs of labor, low flexibility, low labor mobility</td>
<td>The EU structural funds and national priority</td>
<td></td>
</tr>
<tr>
<td><strong>Capital availability</strong></td>
<td>Bank system is stable, there are some development funds for SME, microfinance institutions exist</td>
<td>Diversification of bank products is low, capital is expensive, accessibility of credit lines is low due to weakness of business subjects (skills to prepare business plan, to have good business performances) and unfavorable conditions of lending institutions</td>
<td>The EU structural funds and national priority to see SME sector revived</td>
<td></td>
</tr>
<tr>
<td><strong>Land market</strong></td>
<td>There are set of initiatives to improve land market efficiency – major obstacles to faster recovery of agriculture</td>
<td>Generally prices of land are high with trend of increase.</td>
<td>EU structural funds – support to institutional development</td>
<td></td>
</tr>
<tr>
<td><strong>Business environment</strong></td>
<td>Set of activities taken to improve business environment performances</td>
<td>Long political crisis in BiH had negative effect on quality business environment, the costs of start up, procedures to get all needed documents and parafiscal taxation</td>
<td>Pressure of EU integration process – requests to implement rule of law and provide public services in this area</td>
<td></td>
</tr>
<tr>
<td><strong>Technology transfer – soft infrastructure</strong></td>
<td>Unused spaces with infrastructure exist in almost each municipality, availability of researchers, awareness that new technologies and new industries can contribute to the development</td>
<td>Area’s capability to adopt new technology is low, there are no policy to motivate business to invest in R&amp;D and innovation</td>
<td>CBC programs, SEE networks and initiatives which focuses increase of capability to adopt technology</td>
<td></td>
</tr>
<tr>
<td><strong>Policies to attract FDI</strong></td>
<td>There are awareness that something has to be done</td>
<td>Investment pack doesn’t exist, public policies to attract FDIs are weak</td>
<td>Future investments in infrastructure – port in Brčko, other WB initiatives to attract FDIs, economy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Low attractiveness of national economies for FDIs (especially BiH), political instability</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.2. Assessment current capital state impact on area’s competitiveness

As it can be seen current Sava Drina area competitiveness is fairly low. The main reason behind this fact is low level of social and cultural capital development. Very low ability to act effectively and to change everyday behavior and the business/institutional “modus operandi” decreases area’s ability to become more attractive and easily recognized region within wither WB and EU context. It decreases opportunities for business entities to raise their product values using regional identity and traditional knowledge. The lack of easy accessible information and knowledge about cultural/historical capital, lack of innovative approach to cultural/historical heritage valuation have been main reasons behind low utilization of existing potential and consequently behind low level of cultural capital development.

Fairly development institutional capital opens to cooperation; fairly high number of EU projects and awareness that crossborder cooperation will provide more opportunities for development are behind fairly developed ability of territory to define its role within WB and EU context.

Very loose connection between sectors and low business synergy raised as well as poor business cooperation and un-ability to develop or integrate within attractive value chains or business initiatives are behind low level of environmental competitiveness. The low ability to develop easily recognized innovative value added products that are in line with market needs and requests limit economic competitiveness.

4.2 Assessment of capital dimension current status effects on main economic activities of the area

As it was explained earlier, in order to get full picture of Sava Drina area competitiveness it is necessary to assess current capital dimension status impact on main economic activities. The short is given on the following figure.
As it can be seen all economic activities are currently position in the third matrix field which represent weaknesses-opportunities link. This confirms limited competitiveness of all economy sectors, low sophistication of products and business connections, low ability to build up or to become part of attractive value chains and to follow market trend. Sava Drina Region economy was not able to define and offer products, business environment or life style that can be easily differentiated and recognized as a very attractive in the EU complex. This is mostly due lack of systematic, well understood approach to the development that is able to raise synergy between sectors and turn existing resources into assets. Past development was based on individual energy and activity, and on traditional approach to the business activities, which is main characteristic of reactive, ad-hock approach to the development. Such approach is less efficient and it put on side major part of resources.

In another words, efficiency and success of future development can be limited and endangered by internal sectors and areas weaknesses, but it has to be driven by fairly strong opportunities. Strengthening of area’s visibility, recognition and all dimension of territory attractiveness within the EU/regional context is the key precondition for successful and efficient utilization of existing external opportunities. So, to see whole area’s economy moving towards field “strength –opportunities” the internal cohesion and synergy, based on understanding and sharing common distinctive values, resources and concepts, has to be developed. In another words area’s identity answering on the question “who we are and why we are so cherished?” has to be priority and integral part of any development intervention. In the same time, synergy between all actors involved at all institutional level has to be developed on the basis of the answer to the question “what is our common goal and how we can bring individual objectives together with those of area and each community”. This means that intervention focused on one sector, one part of problem are not efficient enough to contribute to faster area’s integrated development. From the SWOT analysis it is cleared that approach towards all aspect of life including economy and institutions has to be changed dramatically towards more innovative and creative approaches. So, raising innovativeness and skills have to be an integral part of each development intervention.

On the basis of deep area’s analysis the strategic direction of future development is presented on the next figure.
4.3 Vision of future and development goals

On the basis of deep analysis chosen strategy direction following vision is defined as:

“To become easily recognized “Green river” region, which with its territory, natural and cultural heritage makes bridge between west and east, and whose attractiveness and development capacity is based on

- multifunctional use of space and natural resources;
- “green and smart” economy;
- high propensity of new ideas and knowledge, that ensures social, economic prosperity and continuous quality of life improvement for all their citizens.”

Having in mind chosen strategic direction and crated vision of the future following priority areas are defined:

A. promotion and strengthening of corporate social responsibility of all actors of society as a primary mechanism for improving environmental quality, which means encouraging all actors (NGOs, administration, utilities, business entities) first to work to reduce negative impacts (greening of all activities), the implementation statutory duties (cleaning), as well as to strengthen the overall infrastructure related to environmental protection and social inclusion. In other words, the creation of mechanisms for the so-called SOCIAL INVESTMENT at the level of economic entities, but also at the level of local government;
B. Strengthening the ability and agility of administration / institutions as the basis to generate a strong and agile regional Social Capital which will guarantee the sustainable development and it includes development of system to transfer information, knowledge, technology and innovation, and also human resources capacity building;

C. Strengthening business initiatives necessary for the development of innovation and knowledge-based industries, and industries that support the use renewable energy and raising energy and environmental efficiency;

D. incentive to create integrated value chain / supply in the industry, agribusiness and tourism (to ensure a pooling of raw materials, distribution of finished products, improved business performance, market promotion and the creation of innovative products)

<table>
<thead>
<tr>
<th>TABLE XXX Strategy matrix</th>
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<tbody>
<tr>
<td><strong>OBJECTIVE 1</strong></td>
</tr>
<tr>
<td><strong>Measure 1.1</strong></td>
</tr>
<tr>
<td>Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image</td>
</tr>
<tr>
<td>1.1.1 Regional biodiversity and its potential</td>
</tr>
<tr>
<td>1.1.2 Regional cultural and historical heritage</td>
</tr>
<tr>
<td>1.1.3 Regional economic potential</td>
</tr>
<tr>
<td>1.1.4 &quot;Grin river&quot; integrated informational system</td>
</tr>
<tr>
<td><strong>Measure 1.2</strong></td>
</tr>
<tr>
<td>Defined internal/external promotion of shared values, distinctive elements of the region and Region image</td>
</tr>
<tr>
<td>1.2.1 Green River distinctive identity and image</td>
</tr>
<tr>
<td>1.2.2 Green River in my heart - I know why I cherished Green River</td>
</tr>
</tbody>
</table>

| **OBJECTIVE 2**           |
| **Measure 2.1**           |
| Strengthening social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context |
| 2.1.1 Local Community initiative Green Rivers connecting its people, its tradition and its roots |
| 2.1.2 Enhancing exchange of people, ideas, joint initiatives and businesses |
| 2.1.3 Green River Good Governance |
| 2.1.4 Green river virtual Chamber of Commerce |
| **Measure 2.2**           |
| Transferable institutional administrative framework - common methodology of management of natural, cultural and historical heritage |
| 2.2.1 Strategy Implementation Unit |
| 2.2.2 Development of monitoring and evaluation system |
| 2.2.3 LAG Networking |
| 2.2.4 "Neighbors watch and help" |
| 2.2.5 Good practices |
| 2.2.6 UniMobil network to promote sustainable land, water, energy and waste management |

| **OBJECTIVE 3**           |
| **Measure 3.1**           |
| Improving quality of life through enhancement of economy to create and retain value added and to create business environment attractive to investors |
| 3.1.1 Green future Network |
| 3.1.2 Initiative to develop business incubators |
| 3.1.3 Region of rich tradition - food and drink |
| **Measure 3.2**           |
| Capability to create and retain value chain |
| 3.2.1 Identification of products anchors of value chain development |
| 3.2.2 Identification of cluster development opportunities |
| 3.2.3 Regional distribution and trading agency |
## 5. PROJECT DESCRIPTION

<table>
<thead>
<tr>
<th>No:</th>
<th>Project name:</th>
<th>REGIONAL BIODIVERSITY AND ITS POTENTIAL</th>
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<tr>
<td>1.1.1.</td>
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</table>

### Strategic objectives:
1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

### Justification and brief description:
In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region values and resources making them accessible and attractive. It will be an basis to monitor and evaluate development allowing stronger involvement of all Region actors in decision making and boosting their initiatives. It will also allowed strong decentralisation of project implementation with keeping strong connection and cohesion between partners.

### Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective od sustainable development and quality of life increased

### Link with AP / NPAA / EP / SAA:

### Link with MIPD

### Project objectives:
- to identify core of biodiversity with emphasis on autochthonic and distinctive flora and fauna that can be used as a basis of Green River differentiation and positioning in the EU/WB context
- to identify biodiversity potential, risk factors and actions to enhance its quality
- to enhance knowledge and information transfer by forming Wild nature bioUni Initiative

### Project results:
- defined distinctive elements of Green River environmental competitiveness
- bioUni Initiative – virtual network of all experts working on biodiversity identification and mapping
- georeferential data base – detailed description of flora and fauna, especially autochthonic
- defined potential of biodiversity – map of bird watching, fishing spots, “biodiversity paths”
- defined activity plan how to enhance biodiversity “what to do list” – map risik factors, map of “wild dumpsites”, map of wild life
- set of small project ideas to enhance young entrepreneurship
- Green river virtual guide trough wild life evolution – virtual educational and promotional book

### Measurable indicators
- Number of experts in bioUni Initiative
- Number of identified native species
- Evaluation of geo-referential database quality
- Number of project ideas

### Main activities:
- Creation of project expert team – bioUni Initiative
- Identification of native biodiversity and development of georeferential data base
- Identification of “what to do list” and definition of biodiversity potential – set of project idea
- Pilot project to promote young entrepreneurship – selection of one idea
- Development of Green river virtual guide trough wild life evolution
- Project promotion

### Target group:
Young population and CSO focusing environment

### Implementation period:
3 years

### Assessment of the sustainability and impact
The geo referential data base, “what to do list”, list of project/business ideas is a tool to reach sustainability and logterm effect of strategy. Involvement of young population and forming bioUni Initiative ensures multiplication of project results.

### The main risks:
Low interest of local community, CSO and young people as well as low commitment of scientific and expert community. Lack of political will to support development of Integral informational system
### Estimated costs and sources of financing/co financing:

<table>
<thead>
<tr>
<th>The status of readiness of the project:</th>
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<tbody>
<tr>
<td>a) Project is ready for implementation</td>
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<td>b) Positive study of prefeasibility</td>
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<tr>
<td>c) Technical documentation and analysis of expenses</td>
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<tr>
<td>d) Project proposal</td>
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<tr>
<td>e) Project idea</td>
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<thead>
<tr>
<th>Partners involved:</th>
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<tbody>
<tr>
<td>- All municipalities</td>
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<tr>
<td>- Local CSO</td>
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<td>- National Universities</td>
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<tr>
<td>- Development agencies</td>
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<tr>
<td>- National institutions in charge for environmental management</td>
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<tr>
<td>- Museums</td>
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</tbody>
</table>

1 million €

### No:

1.1.2.

### Strategic objectives:

1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

### Justification and brief description:

In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region values and resources making them accessible and attractive. It will be an basis to monitor and evaluate development allowing stronger involvement of all Region actors in decision making and boosting their initiatives. It will also allowed strong decentralisation of project implementation with keeping strong connection and cohesion between partners.

### Link with national legislation and national strategic documents (for each country)

Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

### Link with AP / NPAA / EP / SAA:

### Link with MIPD

### Project objectives:

- to identify core of shared values/culture/history and to identify its distinctive elements that can be used as a basis of Green River differentiation and positioning in the EU/WB context
- to identify cultural/historical heritage potential, risk factors and actions to enhance its quality
- to enhance knowledge and information transfer by forming Initiative Museums for Green River

### Project results:

- defined distinctive elements of Green River environmental competitiveness and attractiveness
- Initiative Museums for Green river – virtual network of all experts
- Identified distinctive elements of cultural/historical heritage and georeferential data base – detailed description of cultural/historical heritage
- defined activity plan how to enhance biodiversity “what to do list” – current status, risk factors and request for enhancing its quality and putting it in function
- Green river virtual adventure – Meet Roman Emperor - virtual interactive educational and promotional book, game for young people – pilot project

### Measurable indicators

- Number of experts in Initiative Museum
- Number of project ideas
- Evaluation of georeferential database quality and Grin river virtual adventure
- Number of project ideas

### Main activities:

- Creation of project expert team – Museums for Green river Initiative
- Mapping of cultural and historical heritage – trough round tables with local communities
- Two workshops and one big conference – Which values and heritages makes Green river different and attractive place for living?
- Identification of “what to do list” and definition of culutural/historical heritage potential – set of project idea
- Pilot project to promote young entrepreneurship – selection of one idea
- Development of Green river virtual adventure – book game etc
- Project promotion
Target group:
Young population, Museums and CSO focusing culture and history

Implementation period: 3 years

Assessment of the sustainability and impact
The georeferential data base, “what to do list”, list of project/business ideas is a tool to reach sustainability and logterm effect of strategy. Involvement of young population and forming Museum Initiative, round tables, workshops and conference ensures multiplication of project results.

The main risks:
Low interest of local community, CSO and young people as well as low commitment of scientific and expert community. Lack of political will to support development of Integral informational system

Estimated costs and sources of financing/co financing: 1,2 million €

The status of readiness of the project:
a) Project is ready for implementation
b) Positive study of prefeasibility
c) Technical documentation and analysis of expenses
d) Project proposal
e) Project idea

Partners involved:
- All municipalities
- Local CSO
- National Universities
- Development agencies
- National institutions in charge for culture and heritage
- Museums

No: 1.1.3.
Project name: REGIONAL ECONOMIC POTENTIAL

Strategic objectives:
1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

Justification and brief description:
In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region economic potential making them accessible and attractive enabling to businessmen to be informed about possibilities of Region to establish different forms of business alliances in order to increase its competitiveness.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD

Project objectives:
- to identify core of economic potential and to identify its distinctive elements that can be used as a basis of Green River differentiation and positioning in the EU/WB context
- to identify economic potential, possibilities for investment, risk factors and actions to enhance its quality
- to develop Green River Business Forum to engage business community into process

Project results:
- easy to access and free to use data base about Green river economic opportunities – producers, products, raw material requirements, needs for “smart service”, Investment catalogue, soft infrastructure
- Green river business forum – main creator of business environment
- Action plan how to improve business environment and investment environment quality
- Three conferences Green River smart business/social entrepreneurship strategy

Measurable indicators
- Number of businessman in Grin River Business Forum
- Number of participants at project conferences
- Evaluation of geo-referential database quality
- Catalogue of investment opportunities
- Calendar of business events
- Initiatives to form LAG

Main activities:
- Creation of project expert team and Green River Business forum
- Creation of georeferential data base “Green River economic potential and distinctive business culture” and catalogue of investment opportunities
- Three Green River Business Forums - conferences
- Identification of “what to do list” to enhance economic potential
- Project promotion

**Target group:**
Business community, development agencies

**Implementation period:** 3 years

**Assessment of the sustainability and impact**
The georeferential data base, “what to do list”, list of project/business ideas is a tool to reach sustainability and long term effect of strategy. Involvement of business community and conference ensures multiplication of project results.

**The main risks:**
Low interest of local community, CSO and young people as well as low commitment of scientific and expert community. Lack of political will to support development of Integral informational system

**Estimated costs and sources of financing/co financing:** 1,2 million €

<table>
<thead>
<tr>
<th>The status of readiness of the project:</th>
<th>Partners involved:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Project is ready for implementation</td>
<td>- All municipalities</td>
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<tr>
<td>b) Positive study of prefeasibility</td>
<td>- Local business community and development CSO</td>
</tr>
<tr>
<td>c) Technical documentation and analysis of expenses</td>
<td>- National Universities</td>
</tr>
<tr>
<td>d) Project proposal</td>
<td>- Development agencies</td>
</tr>
<tr>
<td>e) Project idea</td>
<td>- National institutions in charge for economic development</td>
</tr>
</tbody>
</table>

**No:** 1.1.4.  **Project name:** "GRIN RIVER" INTEGRATED INFORMATIONAL SYSTEM

**Strategic objectives:**
1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

**Justification and brief description:**
In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region values and resources making them accessible and attractive. It will be an basis to monitor and evaluate development allowing stronger involvement of all Region actors in decision making and boosting their initiatives. It will also allowed strong decentralisation of project implementation with keeping strong connection and cohesion between partners.

**Link with national legislation and national strategic documents (for each country):**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- To develop integrated informational system that will serve as a basis for development of integrated economic/environmental management system of the Region

**Project results:**
- Integrated informational system – flexible tool that will be base of integrated monitoring and evaluation system for the strategy

**Measurable indicators**
- Capacity of integrated informational system
- Possibility to be upgrated and developed
- Number of interactive services provided

**Main activities:**
- Creation of expert team
Definition of Integrated informational system concept, characteristic and potential services
Discussions with stakeholders
Creation and testing phase and education of users
Promotion of the project

Target group:
Local communities

Implementation period: 2 years

Assessment of the sustainability and impact
This is a key tool to increase efficiency of governance and management of whole Region. It supports all activities listed within the plan.

The main risks:
The costs of maintaining the Informational system can be high. Low commitment of local community to use and maintain system. It can be too complicated to be easily used.

Estimated costs and sources of financing/co financing: 0.9 million €

The status of readiness of the project:
a) Project is ready for implementation
b) Positive study of prefeasibility
c) Technical documentation and analysis of expenses
d) Project proposal
e) Project idea

Partners involved:
- All

1.2.1. Project name: GREEN RIVER DISTINCTIVE IDENTITY AND IMAGE

Strategic objectives:
1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

Justification and brief description:
In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region values and resources making them accessible and attractive. It will be an basis to monitor and evaluate development allowing stronger involvement of all Region actors in decision making and boosting their initiatives. It will also allowed strong decentralisation of project implementation with keeping strong connection and cohesion between partners.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD

Project objectives:
- to choose values and messages that will form Green River Distinctive Identity and Image
- to define audio and visual identity of Green river region trough strong participation of all stakeholders
- to form RiverCreation Group – network of young fine art students interested to research in this area and to provide them opportunity to sell their services to businessmen trough NewIdentityNetwork Initiatives

Project results:
- Green River Distinctive Identity and Image agreed – values and concepts that all share
- Integration of Region within wider WB/EU fine art space
- Visual and audio identity created trough public bid – trade mark creation
- Forum to provide part of “smart” business services

Measurable indicators
- Number of experts in RiverCreation Group
- Number of stakeholders participated in the process
- Number of suggestions and contributions
- Satisfaction with Green River Distinctive Identity
- Number of companies showing interest to be part on NewIdentityNetwork

Main activities:
- Creation of project expert team – RiverCreationGroup
- Process of stakeholders consultations to define shared values and symbols
- Public bid for visualisation of defined shared values and symbols and its transformation to visual and audio form of Identity
- NewIdentityNetwork creative sessions with businessmen – how to apply Region Identity on a product
- Registration of trade mark
- Project promotion

Target group:
Fine art students, Young population, Museums and CSO, business community

Implementation period: 1,5 years

Assessment of the sustainability and impact
The project will have strong impact on region cohesion through very intensive consultation process with all stakeholders. Long term impact on economy is ensured by creation of NewIdentityNetwork and RiverCreation Group (student networking)

The main risks:
Low interest of local community, CSO and young people as well as low commitment of scientific and expert community. Lack of political will to support development of Integral informational system

Estimated costs and sources of financing/co financing: 0,5 million €

The status of readiness of the project:

| a) Project is ready for implementation | Partners involved: |
| b) Positive study of prefeasibility | - All municipalities |
| c) Technical documentation and analysis of expenses | - Local CSO |
| d) Project proposal | - Inter/National Universities |
| e) Project idea | - Development agencies |
| | - National institutions in charge for culture and heritage |
| | - Museums |

No: 1.2.2. Project name: GREEN RIVER IN MY HART - I KNOW WHY I CHERISH GREEN RIVER

Strategic objectives:
1. Increased area’s cohesion and enhanced recognition of the Region by raising awareness of shared values that create its specific identity and image

Justification and brief description:
In order to increase territory competitiveness, especially its social and environmental dimension as well as to be able to build up adequate position of the region in the WB/EU context it is necessary to register all resources material and immaterial, to know its value, state and potential. Inventory of resources (data bases) is the first step in forming flexible regional management system which will enable streamlining of all Region activities (economic, social, cultural, educational) towards an ultimate goal – increased territory’s competitiveness which in turn will increase quality of life. In the same time flexible georeferencial data bases will serve as an excellent tool to promote all Region values and resources making them accessible and attractive. It will be an basis to monitor and evaluate development allowing stronger involvement of all Region actors in decision making and boosting their initiatives. It will also allowed strong decentralisation of project implementation with keeping strong connection and cohesion between partners.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD

Project objectives:
- To promote Green River Distinctive Identity and to enhance area’s cohesion by introducing different creative and very practical initiatives
- To promote culture of generation solidarity and volunteerism

Project results:
- Set of practical promotional initiatives: “Green river and evolution of civilisation” – pupils view on region role, competitions “Green river – best cookies, best village, best ...”, “Green river cares – centres to exchange help, services ....”, “Celebration of Earth day by cleaning action....”, “Green River promotes energy efficiency, composting techniques.....”
- Set of promotional material – visual, educational, informational and virtual games, guides – Green River Portal
- GreenRiverMedia Initiative – set of promotional radio and TV programs

<table>
<thead>
<tr>
<th>Measurable indicators</th>
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<tbody>
<tr>
<td>Number of initiatives</td>
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<td>Number of participants within initiatives</td>
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<tr>
<td>Number and quality of promotional material</td>
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<td>Number of visits to portal</td>
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<td>Number of radio and TV shows</td>
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<thead>
<tr>
<th>Main activities:</th>
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<tbody>
<tr>
<td>Creation of project expert team</td>
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<td>and “Initiative creation and launching team”</td>
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<tr>
<td>Launching the call for initiatives creation and selection</td>
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<td>Creation of initiatives events calendar</td>
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<td>Creation of promotional material, set of radio and TV shows and its calendar</td>
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<tr>
<td>Project promotion</td>
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<thead>
<tr>
<th>Target group:</th>
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<tr>
<td>CSO, schools, development projects</td>
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<tr>
<th>Implementation period:</th>
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<tr>
<th>Assessment of the sustainability and impact</th>
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</thead>
<tbody>
<tr>
<td>The project will have strong impact on region cohesion trough promotion of generation solidarity, culture of volunteerism and cooperation. Long term impact on society is ensured by creation of Initiative launching team and GreenRiverMedia Initiative.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>The main risks:</th>
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<tbody>
<tr>
<td>Low interest of local community, CSO and young people as well as low commitment of media. Lack of political will to support project.</td>
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<table>
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<th>0,35 million €</th>
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<td><strong>Target group:</strong></td>
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<td><strong>Assessment of the sustainability and impact</strong></td>
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**Strategic objectives:**
- to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

**Justification and brief description:**
In order to see region “living and breathing as one soul” its is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfilment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project trough promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

**Link with national legislation and national strategic documents (for each country)**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- to identify all obstacles to faster and stronger Region integration – inventory of legislation, strategic and developmental documents/plans, administrative procedures etc.
- To prepare “what to do list” to enhance exchange of people, ideas, joint initiatives and business actions

**Project results:**
- “What to do list” to enhance Region cohesion and faster Region integration into the EU/WB context
- joint data base of all institutions and documents/legislation/procedures and resources available – part of Integrated Region Information system
- creation of virtual office – support to issue documents or to provide other services

**Measurable indicators:**
- joint data base – its quality and accessibility
- quality of “what to do list”
- action plan
- virtual office activities

**Main activities:**
- Creation of Team for public administration review
- Data base creation and its integration within Integrated Regional Information system
- Identification of gaps and obstacles and preparation of “what to do list” and action plan
- Adoption of action plan by local communities
- Lobbing to change some national rules – local border crossings, special identity carts etc
- Creation and maintenance of Region virtual office on the Region portal
- Promotion of the project

**Target group:**
Local National and EU administration and parliament, all stakeholders

**Implementation period:**
2,5 years

**Assessment of the sustainability and impact**
This activity on legislator-institutional framework harmonisation is the first step toward stronger Region cohesion and its integration in wither EU environment. It contributes to area’s ability to liaise with external environment and lobby.

**The main risks:**
Political commitment and will and shortage of local budgets

**Estimated costs and sources of financing/co financing:**
0,35 million€

**The status of readiness of the project:**
- a) Project is ready for implementation
- b) Positive study of prefeasibility
- c) Technical documentation and analysis of expenses
- d) Project proposal
- e) Project idea

**Partners involved**
- All local administration
- Business community
- National responsible institutions
- EU responsible institutions

| No. 2.1.3 | Project name |
**Strategic objectives:**
2. to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

**Justification and brief description:**
In order to see region “living and breathing as one soul” its is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfilment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project trough promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

**Link with national legislation and national strategic documents (for each country)**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- to define multitask education for local government in order to strength their capacities to apply code of good governance
- to promote concept of good governance and participatory culture between all stakeholders
- to promote social entrepreneurship concept as a way “to think out of box” and increase opportunities for young people

**Project results:**
- human resources capability to apply code of good governance and to have productive communication with wither socio-economic environment has been increased
- concepts of responsible citizenship, participation in public affairs and social entrepreneurship
- human capacity to face challenges of EU integration process including application on EU structural funds
- pilot project – youth bank

**Measurable indicators:**
- number of round meeting
- promotional material quality
- systematic multitask educational curriculum
- on-line education modules and E library and E teaching material
- promotional and educational pack for responsible citizenship and social entrepreneurship
- pilot project success

**Main activities:**
- Creation of project partnership – invitation to experts to joint project
- Creation of multitask multitalored curriculum for local administration and stakeholders – review of curriculum and its official adoption – agreement that it will be recognised as official training
- Implementation of training and creation of good governance corner on Green River region Portal with library on-line advisory services
- Piloting youth bank projects
- Promotion of the project

**Target group:**
Local National and EU administration and parliament

**Implementation period:**
5 years

**Assessment of the sustainability and impact**
This activity on legislator-institutional framework harmonisation is the first step toward stronger Region cohesion and its integration in wither EU environment. It contributes to area's ability to liaise with external environment and lobby.

**The main risks**
Political commitment and will and shortage of local budgets

**Estimated costs and sources of financing/co financing:**
1 million€

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**No. 2.1.4**  
**Project name**  
GREEN RIVER VIRTUAL CHAMBER OF COMMERCE

**Strategic objectives:**  
to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

**Justification and brief description:**  
In order to see region “living and breathing as one soul” its is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfillment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project trough promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

**Link with national legislation and national strategic documents (for each country)**  
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**  
- to provide virtual space to support all aspects socio-economic life within the Region and its integration within wither EU space. This is a corners stone of whole strategy – all data will be connected to this facility this Region Portal – Green River Virtual region  
- to develop UniExtensionMobile network as a pillar of information and technology transfer  
- to provide access to all data bases, all Region resources and potentials  
- to develop “territorial marketing” – business start up package, investment package

**Project results:**  
- virtual space to support socioeconomic life within the region  
- public relation tool of the Region  
- UniExtension Mobile network – technology and information transfer system  
- “Territorial marketing”

**Measurable indicators:**  
- Number of members of UniExtension Mobile network  
- Number of initiatives started trough virtual chamber of commerce  
- Number of information issued  
- Number of portal visits  
- Number of new start-ups

**Main activities:**  
- Creation of project team  
- Launching and developing UniExtension Mobile network and its role as a supplier of expertise and knowledge trough possibility to hire students, expert and trough possibility to share resources within the network  
- Launching and developing virtual Chamber of Commerce – development of set of attractive services and offering verified training possibilities, reviewed tailor made curricula trough UNiExtensionMobile Network and advisory services to all stakeholders including rural population, and opportunity to share experience (CRO IPARD experience etc)  
- Development of Territory marketing packages  
- Calendar of Region and Region business opportunities promotion supported by formed GreenRiverMedia Initiative  
- Promotion of the project

**Target group:**  
All Region stakeholders, national responsible institutions and wider market

**Implementation period:**  
5 years

**Assessment of the sustainability and impact**  
This activity on legislator-institutional framework harmonisation is the first step toward stronger Region cohesion and its integration in wither EU environment. It contributes to area’s ability to liaise with external
The main risks
Political commitment and will and shortage of local budgets

The status of readiness of the project:
- a) Project is ready for implementation
- b) Positive study of prefeasibility
- c) Technical documentation and analysis of expenses
- d) Project proposal
- e) Project idea

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Estimated costs and sources of financing/co financing: 1,5 million€

### No. 2.2.1 Project name
**PROJECT IMPLEMENTING UNIT /DEVELOPMENT AGENCIES**

#### Strategic objectives:
1. To strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

#### Justification and brief description:
In order to see region “living and breathing as one soul” it is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfillment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project trough promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

#### Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

#### Link with AP / NPAA / EP / SAA:

#### Link with MIPD

#### Project objectives:
- to ensure project implementation and monitoring and evaluation of all activities
- 

#### Project results:
- Project Implementing Unit
- Project success and sustainability of project

#### Measurable indicators:
- No of project implemented
- No of project proposals approved and prepared
- No of lobbying events
- No of documents drafted or fully prepared
- No of requests for support

#### Main activities:
- Establishment and equipped of office/agency
- Definition of set of services that unit will offer
- Definition of monitoring system – part of Region Integral Information System – data base to monitor basic socio-economic indicators and methodology of its gathering, using and presenting – full detailed set of socio-economic data for all local communities of the region
- Lobbying for new projects at national and EU level
- Support to preparation of needed documents, mechanisms and projects
- Project promotion

#### Target group:
All Region stakeholders, national responsible institutions and wider market

#### Implementation period:
5 years

#### Assessment of the sustainability and impact:
This activity on legislator-institutional framework harmonisation is the first step toward stronger Region
cohesion and its integration in wither EU environment. It contributes to area’s ability to liaise with external environment and lobby.

**The main risks**
Political commitment and will and shortage of local budgets

**Estimated costs and sources of financing/co financing:** 1,5 million€

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**No. 2.2.2 Project name**

**DEVELOPMENT OF MONITORING AND EVALUATION SYSTEM**

**Strategic objectives:**
- to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

**Justification and brief description:**
In order to see region “living and breathing as one soul" its is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfillment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project through promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

**Link with national legislation and national strategic documents (for each country)**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- to ensure project implementation and monitoring and evaluation of all activities
- to promote modern way of public policies implementation
- to promote culture of self-evaluation as a basis for sustainable development

**Project results:**
- development of detailed socio-economic, natural resources quality database necessary to monitor and facilitate development of the Region
- system of monitoring and evaluation
- innovation of governance
- improvement of transparency

**Measurable indicators:**
- data base flexibility and quality
- efficiency of established M&E system
- technical documents for data gathering
- list of socio-economic indicators
- flexible and multitask interface of data base as part of Region Integral Information System
- socio-economic research papers

**Main activities:**
- Definition of adequate M&E system structures, responsibilities, rules and procedures
- Creation of data base and following technical documents about data gathering procedures
- Creation of tailor-made interface and database integration in Region Integrated Information System
- Maintenance of data base and data gathering on regular basis
- Creation of self-evaluation reports and its publications
- Curriculum for verified training curriculum, training materials and execution of training
- Pilot project – support to socio-economic research aimed to advance management of Region development
- Project promotion
**Target group:**
Local administration, PIU, involved stakeholders

**Implementation period:** 5 years

**Assessment of the sustainability and impact**
This M&E system will enable local government and stakeholders to make decisions based on relevant data which is the first step toward stronger Region cohesion and its integration in wither EU environment. It contributes to area’s ability to liaise with external environment and lobby. Also, pilot project to support socio-economic research will insure strengthening of Region capacity to streamline development activities.

**The main risks**
Political commitment and will and shortage of local budgets

**Estimated costs and sources of financing/co financing:** 0.75 million €

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No. 2.2.3  Project name  LAG NETWORKING

Strategic objectives:
2. to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

Justification and brief description:
In order to see region “living and breathing as one soul” its is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfilment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project trough promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD
Project objectives:
- to support faster development of LAGs trough exchange of experience and lessons learned
- to ensure its easy and efficient certification
- to enhance area’s ability to apply on LEADER program and other EU programs

Project results:
- Certification of LAGs
- Strengthening of LAGs ability to improve their efficiency

Measurable indicators:
- no of LAGs
- no of certified LAGs
- no of participants on round tables and workshops
- no of participants on study tours data base flexibility and quality

Main activities:
- Creation of project team
- Mapping of Region LAG and forming Green River LAG Network
- Development of LAG success stories and easy to use pack How to develop and certify LAG–support from UniExtensionMobile Initiative
- Development of Green River LAG Network corner on Region E portal
- Study tours
- Plan of round tables and workshops
- Procedure of certification
- Project promotion

Target group: All stakeholders, especially CSO and business being active in rural areas

Implementation period: 5 years

Assessment of the sustainability and impact
The LAG is very important mechanism necessary to raise stronger Region cohesion and its integration in wither EU environment. It contributes to area’s ability to liaise with external environment and lobby. Also, UniExtensionMobile Initiative and development of easy to use pack for LAG establishment and certification will ensure strengthening of Region capacity to streamline development activities.

The main risks: LAG commitment and interes. UNIExtensionMobile Initiative commitment and capability, Political commitment and will and shortage of local budgets

Estimated costs and sources of financing/co financing: 0,25 million €

The status of readiness of the project:
 a) Project is ready for implementation
 b) Positive study of prefeasibility
 c) Technical documentation and analysis of expenses
 d) Project proposal
 e) Project idea

Partners involved
All local administration
Business community
National responsible institutions
EU responsible institutions

No. 2.2.4  Project name  "NEIGHBORS WATCH AND HELP"

Strategic objectives:
### Justification and brief description:

In order to see region “living and breathing as one soul” it is necessary to develop institutionalised framework for action, to harmonise or develop missing documents, to strengthen understanding of development project and capacity of all stakeholders and administrators especially to bring personal objectives together with community one, to streamline all activities toward fulfilment of Region vision. This project enables development of such institutionalized framework and supports Region management capacities necessary to enhance potential of natural, cultural and historical heritage. The project through promotion of networking and enhance of trust contributes to social competitiveness of the region and its ability to define its role within EU/WB context.

### Link with national legislation and national strategic documents (for each country)

Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased.

### Link with AP / NPAA / EP / SAA:

### Link with MIPD

#### Project objectives:
- to establish protocols, mechanisms and rules necessary to share scarce resource in order to develop more efficient protection of social and natural environment
- to develop system of “Neighbors watch and help” – unit for fast intervention to reduce impacts of natural and man-made accidents (fire, earthquake, foods etc)
- to develop Green River Ranger service

#### Project results:
- defined and officially adopt protocol to share scarce resources
- system of “Neighbors watch and help”
- Green River Ranger Services

#### Measurable indicators:
- Purchased equipment
- No of intervention
- Decrease no of accidents and pressure on natural resources
- No of tourists

#### Main activities:
- Creation of project team
- Definition and adoption of protocol, rules and procedures to share scarce resources
- Development of system of “Neighbors watch and help” and Green River Ranger Services
- Modernisation of existing resources and intensive training for different types of accidents
- Project promotion

#### Target group:
All stakeholders, National responsible institutions

#### Implementation period:
5 years

#### Assessment of the sustainability and impact
Possibility to share scarce human and material scarce resources will enable local communities to increase its ability to protect social and natural environment. Definition of official protocol and its adoption will ensure sustainability of project.

#### The main risks
Administrative obstacles; Political commitment and will and shortage of local budgets

#### Estimated costs and sources of financing/co financing:
5 million €

#### The status of readiness of the project:
- Project is ready for implementation
- Positive study of prefeasibility
- Technical documentation and analysis of expenses
- Project proposal
- Project idea

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<th>Project name</th>
<th>GOOD PRACTICES FOR EFFICIENT REGIONAL DEVELOPMENT</th>
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**Justification and brief description:**
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**Link with national legislation and national strategic documents (for each country)**
Fuly in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NP / AA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- to strengthen capacity of area stakeholders to innovate and to face challenges of globalisation and climate change
- to improve level of efficiency of community enterprises and its services

**Project results:**
- HR capacity to innovate and retain value added
- Set of case studies explaining good practices in development of value added (tourism, agriculture, industry, community services)
- Study tours
- Pilot projects – improvement of community enterprises performances and development of activity plan for development and improvement (what to do list)

**Measurable indicators:**
- No of participants
- No study tours
- Set of case studies
- Level of community enterprises performance improvement

**Main activities:**
- Creation of project team and stakeholder implementation network
- Identification of case studies of good practices and action plan for implementation of study tours (stress on smart industry, tourism, agribusiness, green energy etc)
- Pilot project – rapid assessment of needs, selection of areas of intervention and implementation intervention
- Project promotion

**Target group:** All stakeholders, CSO, community enterprises

**Implementation period:** 5 years

**Assessment of the sustainability and impact:** This will increase area attractiveness and competitiveness

**The main risks:** Political commitment and will and shortage of local budgets

**Estimated costs and sources of financing/co financing:** 15 million €

**The status of readiness of the project:**
- a) Project is ready for implementation
- b) Positive study of prefeasibility
- c) Technical documentation and analysis of expenses
- d) Project proposal
- e) Project idea

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<th>No. 2.2.6</th>
<th>Project name</th>
<th>UNIEXTENSIONMOBIL NETWORK TO PROMOTE SUSTAINABLE LAND, WATER, ENERGY AND WASTE MANAGEMENT</th>
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**Strategic objectives:**
2. to strengthen social capital in order to minimize the risk of possible further marginalization of the Region and its adequate positioning within EU/WB context

**Justification and brief description:**
In order to see region “living and breathing as one soul” its is necessary to develop institutionalised
framework for action, to harmonise or develop missing documents, to strengthen understanding of
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promotion of networking and enhance of trust contributes to social competitiveness of the region and its
ability to define its role within EU/WB context.

**Link with national legislation and national strategic documents (for each country)**

Fully in line with national development strategies supporting and contributing to the objective of sustainable
development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- to capacity of area to innovate and to improve ability to create and retrieve value added
- to increase effectiveness of technology and information transfer
- to develop efficient excellence centre providing advice to the business community

**Project results:**
- UniExtensionMobil network gathering all institutions dealing with vocational training, extension,
consultancy, innovation, research and development to join into the network that will be officially
established trough signed agreement
- Prevention of brain-drain and brain import
- Virtual centre of excellence – UniExtensionMobil network virtual corner on Region portal – providing
opportunities for researchers to conduct research, to the student opportunity to get practical
experience and to community to fulfil gaps and develop capacity to adopt technology
- Sustainable land water, energy and waste management techniques promoted
- Income generation opportunities and self-employment opportunities trough application of
sustainable land water, energy and waste management techniques promoted

**Measurable indicators:**
- No of participants in UniExtensionMobile network
- No of network services and advices
- No of joint projects (research, improvement innovation)
- No of on-job trainings
- No of training and promotional materials
- No of ready-to-use models to improve land, water, energy and waste management (solutions for
manure platforms, models to install solar equipment etc)
- No of research paper
- No of new working places
- GDP and generated value added increase

**Main activities:**
- Creation of project team
- UniExtensionMobil network gathering all institutions dealing with vocational training, extension,
consultancy, innovation, research and development to join into the network that will be officially
established trough signed agreement
- Virtual centre of excellence – UniExtensionMobil network virtual corner on Region portal – providing
opportunities for researchers to conduct research, to the student opportunity to get practical
experience and to community to fulfil gaps and develop capacity to adopt technology
- Development training peer reviewed curriculum, ready to use models/projects and promotional
material for sustainable land water, energy and waste management techniques promoted
- Young and women entrepreneurship scheme
- Project promotion

**Target group:** young people, women, CSO, community enterprises, agribusiness, forestry, industry

**Implementation period:** 5 years

**Assessment of the sustainability and impact:**
The project impact and sustainability is ensured by official development of UniExtensionMobil network and
Green River Business Forum, by development of new working places, strengthening self-employment
opportunities for young and women and by ready-to-use models/projects for sustainable management of
natural resources and “greening of everyday working practice”

**The main risks:** Political commitment and will and shortage of local budgets, low interest of institutions
dealing with educational innovation and research, low interest of young people and women

**Estimated costs and sources of financing/co financing:** 5 million €

**The status of readiness of the project:**
- Partners involved
- All local administration
<table>
<thead>
<tr>
<th>a) Project is ready for implementation</th>
<th>Business community</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Positive study of prefeasibility</td>
<td>National responsible institutions</td>
</tr>
<tr>
<td>c) Technical documentation and analysis of expenses</td>
<td>EU responsible institutions</td>
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<tr>
<td>d) Project proposal</td>
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<tr>
<td>e) Project idea</td>
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<tr>
<td>No. 3.1.1</td>
<td>Project name</td>
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</tbody>
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**Strategic objectives:**
- Improving quality of life through enhancement of economy to create and retain value added and to create business environment attractive to investors

**Justification and brief description:**
The social entrepreneurship, ability to innovate create and retain new value added is the basis of area’s economic competitiveness. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region.

**Link with national legislation and national strategic documents (for each country):**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**
- To form network of business and all R&D institutions ready to increase their environmental performances and be part of socially responsible businesses
- To promote benefits, concepts and techniques of “greening philosophy” and socially responsible philosophy
- To form technology park for such business philosophy
- To form funds for socially responsible investments

**Project results:**
- Green Future Network and its branding scheme
- Policy pack for institutions and businesses participating in Green Future Network Initiative
- Technology park for Green Future Initiative
- Socially responsible spin-offs
- Published research papers
- Developed on-line training and informational material
- Green Future Development Fund

**Measurable indicators:**
- No of participants in Green Future Network
- No of network services and improvements
- No of joint projects (research, improvement innovation)
- No of on-job trainings
- No of training and promotional materials
- No of research paper
- No of new working places
- GDP and generated value added increase

**Main activities:**
- Creation of project team
- Development of all necessary documentation to ensure easy functioning of Green Future network, its branding schemes, and functioning of Green Network fund and mechanism for its implementation;
- Development of Green Future Network through invitation to join network and to sign agreement and apply to its branding scheme
- Feasibility study about development of Green Future Technology park
- Development of policy park and procedures of spin offs selection and promotion
- Project promotion

**Target group:** young people, women, CSO, community enterprises, tourism, agribusiness, forestry, industry

**Implementation period:** 5 years

**Assessment of the sustainability and impact:**
The project impact and sustainability is ensured by official development of Green Future network, Green Future technology park feasibility study, by development of branding scheme, new spin offs, new working places, strengthening self-employment opportunities for young and women.

**The main risks:**
- Political commitment and will and shortage of local budgets, low interest of business and institutions dealing with educational innovation and research, low interest of young people and women

**Estimated costs and sources of financing/co financing:** 5 million €

**The status of readiness of the project:** Partners involved
a) Project is ready for implementation
b) Positive study of prefeasibility
c) Technical documentation and analysis of expenses
d) Project proposal
e) Project idea

<table>
<thead>
<tr>
<th>Business community</th>
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<tbody>
<tr>
<td>CSO</td>
</tr>
<tr>
<td>Young people</td>
</tr>
<tr>
<td>Institutions dealing with R&amp;D</td>
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<tr>
<td>National responsible institutions</td>
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<tr>
<td>EU responsible institutions</td>
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</table>

No. 3.1.2 Project name

INITIATIVE TO DEVELOP BUSINESS INCUBATORS

Strategic objectives:
3 Improving quality of life trough enhancement of economy to create and retain value added and to create business environment attractive to investors

Justification and brief description:
The social entrepreneurship, ability to innovate create and retain new value added is the basis of area’s economic competitiveness. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD

Project objectives:
- To form four business incubators applying private-public partnership scheme;
- To increase economic competitiveness of the Region
- To open new attractive working places and to provide more opportunities for women or young people

Project results:
- Feasibility study to identified most suitable areas to develop business incubators
- Four business incubators
- Increased competitiveness of economy
- Demonstration/training/Smart service centre
- Increased capability to adopt technology
- New working places

Measurable indicators:
- No of participants in developed business incubators
- No of network services and improvements
- No of joint projects (research, improvement innovation)
- No of on-job trainings
- No of training and promotional materials
- No of new working places
- GDP and generated value added increase

Main activities:
- Creation of project team
- Preparation of documents explaining how incubators shell function and how private-public partnership will be developed
- Feasibility study to decide which business incubators have to be developed – at least four touristic, craft, forestry, florist, frutic, meat, Rosarium, organic agriculture etc
- Development of four business incubators and demonstrational/training facilities
- Seed money for small business, investment for development of complementary economic activities
- Project promotion

Target group: young people, women, CSO, community enterprises, tourism, agribusiness, forestry, industry

Implementation period: 5 years

Assessment of the sustainability and impact:
The project impact and sustainability is ensured by feasibility study to select most promising sectors to develop business incubators, and by funds for provision of seed money.

The main risks: Political commitment and will and shortage of local budgets, low interest of business and institutions dealing with educational innovation and research, low interest of young people and women
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<thead>
<tr>
<th>Estimated costs and sources of financing/co financing:</th>
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The status of readiness of the project:
- a) Project is ready for implementation
- b) Positive study of prefeasibility
- c) Technical documentation and analysis of expenses
- d) Project proposal
- e) Project idea

Partners involved
- Business community
- CSO
- Young people
- Institutions dealing with R&D
- National responsible institutions
- EU responsible institutions

<table>
<thead>
<tr>
<th>No. 3.1.3</th>
<th>Project name</th>
<th>REGION OF REACH TRADITION</th>
</tr>
</thead>
</table>

**Strategic objectives:**
- 3 Improving quality of life through enhancement of economy to create and retain value added and to create business environment attractive to investors

**Justification and brief description:**
The social entrepreneurship, ability to innovate and create and retain new value added is the basis of area’s economic competitiveness. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region.

**Link with national legislation and national strategic documents (for each country):**
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MiPD**

**Project objectives:**
- To develop strategy to evaluate cultural/historical heritage and traditional knowledge and resources;
- To implement three pilot projects for the most promising products developed on cultural/historical and traditional knowledge and resources;
- To raise synergy between economy sectors agriculture, tourism, craft, forestry;
- To increase economic competitiveness of the Region

**Project results:**
- Strategy to evaluate cultural/historical heritage and traditional knowledge and resources;
- Feasibility study to identify most suitable areas to launch pilot projects – modern integrated, sophisticated product and services
- Pilot project launched
- New innovative products
- Business Alliance Region of reach tradition – Sava Drina Green Rivers
- Increased competitiveness of economy tough raised synergy and cohesion
- Demonstration/training/smart service centre
- Increased capability to adopt technology and to follow new market trends
- New working places

**Measurable indicators:**
- Strategy
- Pilot project success
- Business Alliance Region of reach tradition – Sava Drina Green Rivers
- No of on-job trainings
- No of training and promotional materials
- No of new working places
- GDP and generated value added increase

**Main activities:**
- Creation of project team
- Strategy to evaluate cultural/historical heritage and traditional knowledge and resources;
- Feasibility study to identify most suitable areas to launch pilot projects – modern integrated, sophisticated product and services
- Creation and launch of pilot projects
- Development of Business Alliance Region of reach tradition – Sava Drina Green Rivers to cherish and protect tradition and to develop and register traditional products
Project promotion

**Target group:** young people, women, CSO, community enterprises, tourism, agribusiness, forestry, industry

**Implementation period:** 5 years

**Assessment of the sustainability and impact:**
The project impact and sustainability is ensured by strategy to valuate heritage, feasibility study to select most promising sectors to develop pilot projects, and by funds for provision of seed money.

**The main risks:** Political commitment and will and shortage of local budgets, low interest of business and institutions dealing with educational innovation and research, low interest of young people and women

**Estimated costs and sources of financing/co financing:** 2,5 million €

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<td>a) Project is ready for implementation</td>
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<td>b) Positive study of prefeasibility</td>
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<tr>
<td>c) Technical documentation and analysis of expenses</td>
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<tr>
<td>d) Project proposal</td>
<td>Institutions dealing with R&amp;D</td>
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<td>e) Project idea</td>
<td>National responsible institutions</td>
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**No. 3.2.1**

**Project name**

IDENTIFICATION OF PRODUCTS ANCHORS OF VALUE CHAIN DEVELOPMENT

**Strategic objectives:**

1. Improving quality of life through enhancement of economy to create and retain value added and to create business environment attractive to investors

**Justification and brief description:**

The social entrepreneurship, ability to innovate create and retain new value added is the basis of area’s economic competitiveness. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region. But value chain development is very risky. It is recommended to take all prevention actions in order to decrease risk of its development

**Link with national legislation and national strategic documents (for each country)**

Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

**Link with AP / NPAA / EP / SAA:**

**Link with MIPD**

**Project objectives:**

- To identify products anchors of value chains;
- To raise synergy between economy sectors agriculture, tourism, craft, forestry etc
- To increase economic competitiveness of the Region

**Project results:**

- Value chains with high market perspectives
- Increased capability to adopt technology and to follow new market trends
- New working places

**Measurable indicators:**

- Value chains with high market perspectives
- Feasibility study of selected value chains development – at least six
- GDP and generated value added increase

**Main activities:**

- Creation of project team
- Deep analysis of local and international market potential and identification of products around which perspective value chains can be developed and identification of value chains within which existing business can find perspective
- Development of Feasibility study of selected value chains development – at least six
- Action plan to launch projects to develop selected value chains
- Project promotion

**Target group:** young people, women, CSO, community enterprises, tourism, agribusiness, forestry, industry
<table>
<thead>
<tr>
<th>Implementation period:</th>
<th>1 year</th>
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<tbody>
<tr>
<td><strong>Assessment of the sustainability and impact:</strong></td>
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</tr>
<tr>
<td>The project impact and sustainability is ensured by deep analysis of market potentials and feasibility study to select most promising sectors.</td>
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<tr>
<td><strong>The main risks:</strong> Political commitment and will and shortage of local budgets, low interest of business and institutions dealing with educational innovation and research, low interest of young people and women</td>
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<tr>
<td><strong>Estimated costs and sources of financing/co financing:</strong></td>
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<tr>
<td>The status of readiness of the project:</td>
<td>Partners involved</td>
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<tr>
<td>a) Project is ready for implementation</td>
<td>Business community</td>
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<tr>
<td>b) Positive study of prefeasibility</td>
<td>CSO</td>
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<td>c) Technical documentation and analysis of expenses</td>
<td>Young people</td>
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<td>d) Project proposal</td>
<td>Institutions dealing with R&amp;D</td>
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<td>e) Project idea</td>
<td>National responsible institutions</td>
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<thead>
<tr>
<th>No. 3.2.2</th>
<th>Project name</th>
<th>IDENTIFICATION OF CLUSTER DEVELOPMENT OPPORTUNITIES</th>
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<tbody>
<tr>
<td><strong>Strategic objectives:</strong></td>
<td>3 Improving quality of life trough enhancement of economy to create and retain value added and to create business environment attractive to investors</td>
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<tr>
<td><strong>Justification and brief description:</strong></td>
<td></td>
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<tr>
<td>The social entrepreneurship, ability to innovate create and retain new value added is the basis of area’s economic competitiveness. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region. But cluster development is very risky. It is recommended to take all prevention actions in order to decrease risk of its development</td>
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<tr>
<td><strong>Link with national legislation and national strategic documents (for each country):</strong></td>
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<tr>
<td>Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased</td>
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<td><strong>Link with AP / NPAA / EP / SAA:</strong></td>
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<tr>
<td><strong>Link with MIPD</strong></td>
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<tr>
<td><strong>Project objectives:</strong></td>
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<tr>
<td>- To identify clusters with high market potential;</td>
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<tr>
<td>- To raise synergy between economy sectors agriculture, tourism, craft, forestry etc</td>
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<td>- To increase economic competitiveness of the Region</td>
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<tr>
<td><strong>Project results:</strong></td>
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<tr>
<td>- Clusters with high market perspectives</td>
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<td>- Increased capability to adopt technology and to follow new market trends</td>
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<td>- New working places</td>
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<tr>
<td><strong>Measurable indicators:</strong></td>
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<tr>
<td>- Clusters with high market perspectives</td>
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<tr>
<td>- Feasibility study of selected clusters development</td>
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<td>- GDP and generated value added increase</td>
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<tr>
<td><strong>Main activities:</strong></td>
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<tr>
<td>- Creation of project team</td>
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<tr>
<td>- Deep analysis of local and international market potential and identification of business area in which clusters can be developed and identification of clusters within which existing business can find perspective</td>
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<td>- Development of Feasibility study of selected clusters development</td>
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<td>- Action plan to launch projects to develop selected clusters</td>
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<td>- Project promotion</td>
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<tr>
<td><strong>Target group:</strong> young people, women, CSO, community enterprises, tourism, agribusiness, forestry, industry</td>
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<td><strong>Implementation period:</strong> 1 year</td>
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<tr>
<td><strong>Assessment of the sustainability and impact:</strong></td>
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<tr>
<td>The project impact and sustainability is ensured by deep analysis of market potentials and feasibility study to select most promising sectors.</td>
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</table>
| **The main risks:** Political commitment and will and shortage of local budgets, low interest of business and
institutions dealing with educational innovation and research, low interest of young people and women

Estimated costs and sources of financing/co financing: 0.8 million €

The status of readiness of the project:
a) Project is ready for implementation
b) Positive study of prefeasibility
c) Technical documentation and analysis of expenses
d) Project proposal
e) Project idea

Partners involved
- Business community
- CSO
- Young people
- Institutions dealing with R&D
- National responsible institutions
- EU responsible institutions

No. 3.2.3 Project name
REGIONAL DISTRIBUTION AND TRADING AGENCY

Strategic objectives:
3 Improving quality of life through enhancement of economy to create and retain value added and to create business environment attractive to investors

Justification and brief description:
The social entrepreneurship, ability to innovate create and retain new value added is the basis of area’s economic competitiveness. The interventions aimed to decrease logistic problems and transaction costs are one very important way to retain raised value added and to increase quality of products. In the same time this type of intervention will raise synergy between individual business entities and sectors which is main pillar of territory competitiveness. The result of such kind of intervention will be strengthening competitiveness of local business and faster economic development. This is an excellent way to increase level of economic cohesion of the region.

Link with national legislation and national strategic documents (for each country)
Fully in line with national development strategies supporting and contributing to the objective of sustainable development and quality of life increased

Link with AP / NPAA / EP / SAA:

Link with MIPD

Project objectives:
- To identify opportunities and need to develop regional distribution trading agency
- To decrease high transaction and logistic costs
- To increase economic competitiveness of the Region

Project results:
- Feasibility study for development of Regional distribution and trading agency
- Improvement of logistic system applying private-public partnership approach – development of warehouse, packaging units etc
- New working places

Measurable indicators:
- Feasibility study for development of Regional distribution and trading agency
- Pilot projects to increase efficiency of existing logistic system
- GDP and generated value added increase

Main activities:
- Creation of project team
- Deep analysis of local and international market potential and identification of business area in which Regional distribution and trading agency can be developed
- Development of Feasibility study for development of Regional distribution and trading agency
- Application for pilot project to increase efficiency of existing logistic system
- Action and business plan to launch pilot projects to increase efficiency of existing logistic system
- Project promotion

Target group: CSO, community enterprises, tourism, agribusiness, forestry, industry

Implementation period: 1.5 year

Assessment of the sustainability and impact:
The project impact and sustainability is ensured by deep analysis of market potentials and feasibility study to select most promising sectors and pilot projects to increase efficiency of existing logistic system.

The main risks: Political commitment and will and shortage of local budgets, low interest of business

Estimated costs and sources of financing/co financing: 1.5 million €

The status of readiness of the project:
a) Project is ready for implementation
b) Positive study of prefeasibility

Partners involved
- Business community
- CSO
| c) Technical documentation and analysis of expenses | Young people |
| d) Project proposal | Institutions dealing with R&D |
| e) Project idea | National responsible institutions |
|                    | EU responsible institutions |