



**REGIONAL STRATEGY IMPLEMENTATION FRAMEWORK
NORTHEAST ECONOMIC REGION 2006 - 2007**

SUMMARY



INTRODUCTION

The regional development strategies for the 5 BiH economic regions were prepared during 2004 with technical assistance from the EURED project.

One of the goals was to build up structured regional partnerships able to support Regional Development Agencies, RDAs, in the identification of regional development needs and challenges, as well as the best projects to properly address these needs. In line with the bottom-up approach, the basic principles applied during the Strategy Building Process were partnership, common ownership and participation, as well as transparency.

The key actors involved in the preparation of regional development strategies in 2004 and 2006 were:

- RDAs, acting as an umbrella for existing development initiatives in the region, particularly for its partner organizations;
- Regional Partnership Groups (PGs), acting as the regional partnership conference and main consultative body on the regional economic strategy, consisting of (local) public authorities, business and other associations and non-governmental bodies (public-private partnership);
- Regional Sectorial Working Groups (SWGs), formed from PG member associations/institutions based on their specific developmental interests, involving representatives at technical level.

The methodology used for the preparation of the new regional project pipelines is based on that used for the original regional development strategies in 2004 and it is slightly adjusted in accordance with the lessons learnt.

The process of development of the new regional operational frameworks 2006-2007 involved four phases:

- 1) Preparatory phase
- 2) Collection of inputs for prioritization of projects and programming
- 3) Prioritization of projects and programming, and the
- 4) Presentation and approval of renewed operational part of the strategy.

The Development of the new project pipeline was based on:

- information contained in strategy implementation reports;
- data provided by project promoters/submitters in the form of project fiche;
- selection criteria agreed with regional stakeholders;
- determining a limited number of projects which have been identified as ready and feasible for implementation (in terms of human, technical and financial inputs/resources) within the 5 determined sectors of intervention.

The process lasted six months and was carried out by RDAs, in close cooperation with regional stakeholders. Two Regional Partnership Group meetings were organized to provide necessary inputs and to approve the outcomes.

Five SWGs were formed for the five priority sectors:

- Infrastructure
- Economy
- Human Resources
- Tourism
- Rural development

Inputs received from regional stakeholders, a list of previous projects included in the strategy, a report on the status of project implementation and the new project fiches were all considered when compiling the new project pipelines. The final outcome was a list of the most feasible projects for each sector, where implementation could be initiated by the end of 2007.

The operational part of the strategy was newly elaborated introducing 5 sectors of intervention and the respective project inventory. The new operational - implementation plan was presented to regional stakeholders during the second PG meeting, which informally adopted the renewed operational part of the strategy, or Regional Strategy Implementation Framework 2006 - 2007.

Northeast BiH Development Vision:

A dynamic economic region developing better conditions for life and work of all citizens at all levels of community through sustainable development and support for the EU integration process of BiH.

Strategic Goals

1. REGENERATION OF NORTH EAST BIH ECONOMY AND INCREASING THE INNOVATIVE POTENTIAL OF THE REGION

2. IMPROVING THE SKILLS, COMPETITIVENESS AND MOBILITY OF HUMAN RESOURCES, DEVELOPING LABOUR MARKET AND FIGHTING SOCIAL EXCLUSION

3. IMPROVING THE QUALITY OF LIFE AND CREATING AN ATTRACTIVE COMMUNITY ENVIRONMENT

Priority objectives

1.1 Increasing the competitiveness of the industry and SME sector
1.2 Improving the business environment
1.3 Increasing innovative potential of the Region
1.4 Developing niche tourism
1.5 Developing rural economy
1.6 Upgrading and developing transport and utilities infrastructure and ensuring environmental protection

2.1 Human resources development
2.2 Promoting social inclusion

3.1 Improving social infrastructure and the quality of social services
3.2 Urban and rural rehabilitation, protect and conservation of the cultural heritage

THE NORTHEAST ECONOMIC REGION



Area	7,260 km ²
Number of Municipalities	34 + Brčko District
% of BiH Territory	14,18 %
Population	1,000,000
Employment Statistics	148,016 employed (23.2 % of the total number of employed in BiH) Unemployment rate is 54.1%
Key Industries	Agriculture Food Industry Basic and Processing Industry and Power Generation Forestry and Wood Processing Tourism

SECTOR 1: ECONOMY - ENTREPRENEURSHIP - SMEs

The economy of the NE region is facing the difficulties of transition to a market economy. For example, the slow process to accept EU and international standards in most SMEs; undeveloped business infrastructure and coordination of existing institutions for SMEs support; lack of clustering on both horizontal and vertical level; lack of entrepreneurial awareness in some parts of the region; unfavourable sources of loans and finances for SMEs; old technology in most of existing SMEs, lack of certification bodies for quality control of goods and services, inappropriate quality, design and packaging of products in most enterprises etc.

The sector's SWOT analysis shows that further economic development of the region can be based on the following favourable factors: availability of labour at competitive rates, geographic position suitable for trade in products/services, access to a wide range of quality natural resources, high level of entrepreneurship tradition in some parts of the region, some capacities of large restructured industries (mainly chemical) with internal/external market, existing network of NGOs and other institutions offering training/consultancy for SME, University and other education/research institutions, presence of micro-credit organization and banks, local

economic development programmes stimulating public private partnership formation in the main part of the region.

The key needs of this sector, recognized during SWG meetings, are: to support existing SMEs and domestic production and promote them, to promote and introduce new technologies in the existing and the new SMEs, to promote the Region and attract new domestic and international investors, to develop new business ideas in contact with international SMEs and new programmes, to implement mechanisms for SMEs clustering, to create awareness and apply EU and other international standards among SMEs, to develop and expand export markets, to establish cooperation and coordination among the SME sector.

The key challenges for the sector are: competition from neighbouring and other developing economies, difficult and expensive access to new technologies, low level of opportunities from the privatization process, barriers to protection of domestic production, lack of favourable financial resources, internal debt and serious lack of liquidity in companies, lack of management skills in most SMEs, unbalanced development of region etc.

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
1.1. Strategic strengthening and networking of entrepreneurship developing zones in the region	Strengthening existing business incubators and development of new entrepreneurship zones in 11 BiH municipalities	10 Municipalities of NE region and Brčko District	590.000	24
1.2. Cluster group Beyler: Export opportunities for furniture for equipping hotels and resorts in Croatia in the framework of Entrepreneurs Association Programme furniture producing SME	Establishing inter-regional Cluster of furniture producing SME, focused on the export of their products to the tourism sector in Croatia to overcome limited export capabilities of each individual member	11 Municipalities from 3 Cantons of FBiH belonging to the 3 Regions (NW, CE BiH and Herzegovina) and USC	336.010	12
1.3. Info Centre for SME in Chamber of Commerce Bijeljina	Establishing sub-regional Centre, part of business support infrastructure providing information and education for NE BiH SME	12 Municipalities of NE BiH region	285.000	12
1.4. Centre for introduction of ISO standards and CE certificate, for NE BiH	Establishing regional Centre that will provide information, education and TA services in the field of standardization and CE marking to the Managers of enterprises	NE BiH region	293.375	18

SECTOR 1: ECONOMY - ENTREPRENEURSHIP - SMEs

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
1.5. Establishing and strengthening regional association of Innovators	Establishing regional association on a good practice basis of the Tuzla Canton Association and providing systematic support to innovators, particularly the young innovators	18 municipalities: NE, CE BiH and Brčko District	135.000	10
1.6. Business Development JOB Centre - Capacity of NERDA	On of five SME support centres for SME from Odžak, Modriča, Vukosavlje and Šamac.	Municipalities Bosanski Brod, Odžak, Modriča, Vukosavlje and Šamac	200.000	48
1.7. Project approach to integrated quality system in SME	Introduction of integrated system of quality to the NE BiH SME in accordance with the international and the EU standards	NE BiH region	200.000	12
1.8. Establishing Business service centre for SME in Orašje (for Posavina area)	One of five business support centres for SME from Bosnian Posavina	Orašje and Municipalities of Bosnian Posavina	50.000	6
1.9. Industrial free zone	Building the industrial zone (500.000 m ²) and supplying it with basic infrastructure to support development of metal and wood-processing industries and their clustering	Municipality Gradačac and neighboring municipalities	399.000	12
1.10. Foreign investors	Programme -partnership with LESP-net Establishing FDI promotion Agency in cooperation with LESP-net to attract foreign investments in NE BiH	NE BiH region	561.107	12
1.11. Study on ways of use of corridor 5C for economic development in Posavina	Identifying the best ways to use 5C corridor passing through Posavina to develop SME and to attract FDI	Vukosavlje and Municipalities of Posavina	134.950	n.a
1.12. Support to infrastructural capacities development: RPC Tuzla - Incubator Lipnica	Improving existing, and building new, industrial infrastructure in Incubator Lipnica	Municipality Tuzla, and neighboring municipalities (SMEs from them will be users of Incubator)	400.000	18
1.13. Building stock of goods and duty free zone in Domaljevac-Šamac	Building free zone and supplying it with basic infrastructure	Municipality Domaljevac, Bosanski Šamac, Slavonski Šamac and neighbouring Municipalities	1,500.000	10

SECTOR 1: ECONOMY - ENTREPRENEURSHIP - SMEs

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
1.14. Support to promotion and development of innovations	Supporting realization of innovators' business initiatives, protection of innovations, contribution to establishment of Association of Innovators of NE BiH	BD BiH, Innovators from entire NE BiH	80.000	24
1.15. Continuation of equipping of entrepreneurship zones B1, B2 Orašje and associating their business with zones from environment	Supplying of basic infrastructure to the Industrial zones Orašje and their networking, as a part of Project idea on Industrial zones in Municipalities and BD in BiH	Orašje, SMEs from entire NE BiH	1,000.000	6
1.16. Feasibility study: Preparation and building of infrastructural preconditions for business-entrepreneurial zones on municipality area	Preparing study to determine all key elements needed to assess the pre-conditions for location's use for establishing Business zones and assessing if that will be worthwhile	Municipality Tuzla, and neighbouring municipalities (as SMEs from them will be users of zones, too)	450.000	18
1.17. Study: preparation of project task for determining size and quality of deposits of quartz sand, limestone and ornamental stone	Assessment of the quantity (currently assumed at 1,000.000 m ³) and quality of deposits of quartz sand, limestone and ornamental stone for possible development of complementary industries in Bosnian Posavina	Municipality Vukosavlje and neighboring municipalities of Bosnian Posavina	250.000	12
1.18. Foundation and development of regional and local business associations	Establishing sub-regional association of SME with database of all SME from 5 Municipalities	5 Municipalities from NE BiH region	45.000	3
1.19. Business Incubator Brod	Establishing Business incubator for start-up businesses from Municipalities B. Brod and Vukosavlje	Municipalities Bosanski Brod and Vukosavlje	250.000	72

SECTOR 2: HUMAN RESOURCES DEVELOPMENT - EMPLOYMENT

NE BiH region has a wide range of actors in this sector: highly qualified young people, the institutions for education (including University, faculties, different sectors of secondary schools), Local Development Agencies, NGOs, Local Service Providers and other institutions, the international organizations supporting HRD, employment sustainable return and vulnerable groups.

However, there are also less favourable factors, such as the brain drain of young people, the low level of technical and other equipment in the majority of education institutions, differences of opinion on the demands and needs on the labour market, the highest level of unemployed people in BiH, fear of use of new technology and methods among the older generation, inappropriate defined legal frame for unemployment, low level of management capacities in all sectors, low awareness and slow adaptation among citizens and business towards new employment mechanisms, existing financial system in education, strong political influence in public education.

The key identified needs of the sector are: permanent research and analysis of labour market, entrepreneurial trainings, educational infrastructure

building and modernization, capacities development and providing conditions for transfer of new technologies and knowledge using highly qualified staff with best experience (acquired abroad), use of innovation HR potentials from the region for transfer of knowledge through different institutions (Business Incubators, Technological Management Centres, Industrial zones, Training Centres etc.), legal and financial support for realization of programmes and projects.

The key challenges for the sector are the lack of institutions and capable human resources for reform of the labour market, lack of creativity, lack of newly created job positions, lack of labour qualification and mobility, high fees for registration of sole proprietor activities, employment and creation of perspective for vulnerable groups, development of competent and qualified labour corresponding to labour market needs, prevention of migration of youth and high qualified young people, equality for young female staff within managerial structures to harmonize with world's standards, stimulating self-employment preceded by education to provide self-sustainability.

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
2.1. Centres for re-qualification of disabled persons	Establishing, in accordance with Feasibility study, 5 centres that will support improvement of disabled persons' competitiveness on labour market by re-qualifying them	NE BiH region	600.000	30
2.2. Establishing Welding Institute in Tuzla	Institute will provide training in welding for unemployed and employed (welders and engineers) in accordance with international standards and in cooperation with Welding Institute SLM from Magdeburg, Germany	BiH (Tuzla Canton in beginning)	350.000	6
2.3. Support to SME through transfer of "Know How" and through establishing more favourable business environment	Providing education and consultancy programmes to SMEs that will enable faster implementation of EU standards in their businesses	Tuzla Canton and wider	352.000	36
2.4. Job and Return	Project will provide education and promotion of entrepreneurship development within returnees' population	Part of Bosnian Posavina: Brod, Vukosavlje, Modriča, Šamac, Gradačac, Odžak	420.000	18

SECTOR 2: HUMAN RESOURCES DEVELOPMENT - EMPLOYMENT

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
2.5. Reduction of poverty of region - increasing independence of disabled persons	Project will provide business education for disabled persons during the first year, and financial support to the most successful among them	NE BiH Region	200.000	24
2.6. Establishment of regional network of centres for monitoring and coordination of return process in Northeast BiH (Monitoring Group)	Network of Centres will support returnees in informing them and educating them in entrepreneurship (starting own company, agriculture and employment)	Municipalities: Bijeljina, Lopare, Živinice, Ugljevik, Tuzla, Lukavac	177.736	15
2.7. Development of ICT infrastructure - Regional Centre for training on use of computers based on ECDL standards in Zvornik and 3 training departments in Vlasenica, Šekovići and Milići	Establishing of modern ICT education centre that will support labour market reform by educating unemployed to use IT in accordance with European standards	Municipalities: Zvornik, Šekovići, Vlasenica, Milići	170.000	12
2.8. Homemade articles BOSFAM	Employment of 20-25 women in creation and production of traditional handmade products	Municipalities: Srebrenica, Bratunac, Milići, Tuzla	21.150	3
2.9. Creating equal opportunities for disabled persons	Organizing Advocacy and Public awareness campaigns in cooperation with NGO sector, aimed at faster adoption of Law on employment of disabled persons that would improve their status significantly	NE BiH region	195.583	24
2.10. Regional centre for professional rehabilitation of children with special needs, Bijeljina	Building Centre that will, on a boarding school basis, provide professional services for disabled children, including their re-socialization, rehabilitation and professional education	Municipalities: Bijeljina, Lopare, Ugljevik, Zvornik BD BiH	800.000	24
2.11. Re-qualification and training of labour in field of industry and construction	Re-qualification of vulnerable groups of unemployed (returnees, disabled veterans, civil invalids, families without at least 1 member employed,...) in cooperation with RS Bureau for employment	Municipalities: Milići, Vlasenica, Zvornik	150.000	12
2.12. Building human resources' capacities in schools for active participation in development of local communities	Technical assistance to creation and development of open and interactive schools in region, through set of trainings and development teams	Municipality Tuzla, NE BiH region	480.000	30
2.13. Raising informatics skills in elementary schools in Posavina sub region	Equipping elementary schools' for IT and trainings for Informatics teachers and pupils, intended to develop their contribution to economy development of sub-region	Posavina sub-region	300.000	12
2.14. Development of entrepreneurial culture of youth	Business oriented Trainings for youth and establishing entrepreneurial centres for youth	BD BiH, NE BiH region	60.000	24

SECTOR 3: REGIONAL DEVELOPMENT INFRASTRUCTURE

Development of regional infrastructure is interlinked with three other sectors (Economy, Agriculture and Tourism) and it is usually a pre-condition for implementation of the projects in the area of regional development infrastructure. This sector has favourable conditions for improving overall geo-strategic location, basic regional infrastructure (by road, rail, air and the port of Brcko) as well as it has close potential connections to trans-European road and rail network.

However, many bottlenecks for the better use of this sector as an integration tool for the economy of the region remain: weak technical quality of roads, reduced and obsolete capacities of the rail system, the low level of physical planning and control, and the low level of

functional linkages to international transport links. The key needs of the sector are: building regional solid waste deposits, reconstruction of roads, increasing awareness and better use of potential transport connections to international networks and building a gas line (in the mid or long-term perspective).

The key challenges of the sector are: realistic setting of goals in conformity with financial resources, better use of rail in the region, promotion of Tuzla airport as an alternative to Sarajevo, Banja Luka, Zagreb, Belgrade, the development of cargo services via Tuzla airport and the use of opportunities arising from corridor 5C passing through the region.

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
3.1. Feasibility Study for building a regional waste deposit for Municipalities: Milići, Srebrenica, Bratunac and Vlasenica	Identification of the most appropriate location for Solid waste deposit and solutions for solid waste management of this area in the long-term	Vlasenica, Milići, Srebrenica, Bratunac	88.910	12
3.2. Solid waste management	Building a sub-regional solid waste deposit in Bijeljina and 3 transfer- recycling stations in Čelić, Teočak and Lopare	Bijeljina, Ugljevik, Lopare, Čelić, Teočak	16,000.000	24
3.3. Building fast road "Tuzla - river Sava"	Building 69 km of highway that will connect NE region with European transnational highway network, based on existing Feasibility study	NE BiH region	800,000.000	60
3.4. Feasibility Study of long-term water-supply of Municipalities Tuzla, Lukavac and Živinice	Study will determine conditions for long-term planning of a water supply for these Municipalities, one of the key infrastructural problems for 400.000 citizens.	Municipalities Tuzla, Lukavac, Živinice	200.000	10
3.5. Building a plant for waste water treatment with a main sewer (I phase)	Enabling systematic protection of environment and health of 100.000 citizens. About 15.000 houses and buildings will be connected to the main sewer that will be built by the Project	Municipalities Tuzla, Lukavac, Živinice	20,000.000	18

SECTOR 3: REGIONAL DEVELOPMENT INFRASTRUCTURE

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
3.6. Building regional waste deposit in NE BiH	Feasibility study and building regional solid waste deposit.	Municipalities of NE BiH	n.a.	12
3.7. Demining in industrial zones	Demining industrial areas in 3 Municipalities as a measure of civil protection and enabling use of infrastructured areas for development of economy.	Municipalities Gračanica, Dobož-Istok, Petrovo	800.000	n.a.
3.8. Regulation of Križevica's riverbed	Arranging and regulation of Križevica's riverbed through Bratunac and Dugo polje as a protection for people, their property, infrastructure and agriculture land from flood damages.	Municipalities Bratunac and Srebrenica	2,000.000	12
3.9. International airport Tuzla and industrial (business) zone	Modernization of Tuzla International Airport and building a business zone within it. Both will be used as incentives for economic development of the entire region.	NE BiH region	20,000.000	n.a.
3.10. Enlargement and building part of main road M-4 on the section hospital Kreka- loop "Šićki brod"	Building of 4 traffic tracks, on the west entrance to Tuzla, reducing traffic overload and bottleneck of main road M-4. Project will speed up intra-regional connection of east and north part of NE BiH, as well as with other regions and neighbouring countries.	West entrance to Tuzla, NE BiH region	15,000.000	12
3.11. Rehabilitation of part of main road Vlasenica - Kladanj	To reconstruct 30 km of main road M-19, between Vlasenica and Kladanj, that will enable better and shorter connection between 6 Municipalities from NE RS and the rest of the region and other areas of northern BiH.	Municipalities Vlasenica and Kladanj	2,700.000	3
3.12. Building part of main road M-4 on the section Ši Selo - Slavinovići	Building 1,5 km of 4 traffic tracks, on the east entrance to Tuzla, reducing traffic overload and bottleneck of main road M-4. Project will speed up intraregional connection of east part of NE BiH with others, as well as with other regions and neighbouring countries.	East entrance to Tuzla, NE BiH region	3,000.000	12

SECTOR 4: TOURISM

Tourism is a promising sector of regional development in NE BiH, as the region has very good preconditions for the development of profitable tourist activities: natural resources (rivers, lakes, thermal and healthy water, hunting area rich with game birds and animals...), rich historical and cultural heritage, geographical location of big cities in the region, traditional hospitality of people in the region, existing Tourist Agencies, existing tourism infrastructure - hotels, resorts... and famous tourist products and services in some areas of the region, multi-ethnic character of the region and different traditions.

However, tourism in NE BiH has a lack of partnerships and promotion on the market, a low level of road connections among the tourist centres, low level of support services, lack of educated tourist professionals, undeveloped environment and tourism awareness among citizens, low level of promotion for domestic tourism, lack of standards implementation, and obsolete tourism infrastructures in some areas in the region.

The needs of the sector are: to prepare a strategy of tourism development, completing the tourist offer by defining tourist products through which the region will be recognizable, improve tourist marketing (especially promotional) activities, more cultural events and competitions of tourist organizations at regional/state level, increasing the quality of tourist services, preparing guidelines to train tourist guides, to prepare a tourist guide and travel folder for the NE region, establishing municipal tourist agencies, to place tourist signalization in the area of the NE region, to invest in awareness raising among citizens on the benefits of tourism, identifying tourist needs of children/youth and their inclusion in development of tourism and

environment protection, support for self-employment ideas in the tourism sector, arranging and improvement of existing /development of new infrastructure and tourist destinations, demining of tourist locations, improving lodging and hotel capacities, building infrastructure needed for use of thermo-mineral water sources (in Zvornik/Vitinički, Srebrenica/Guber and other Municipalities), arranging banks of rivers and lakes (Modrac,...), cleansing wild solid waste deposits, building regional solid waste deposit, protection of natural/cultural heritage.

The challenges of the sector are: to use the region's geographical position for transit tourism and investment, to define tourist brands of some locations, to increase co-operation with neighbouring national /regional tourism markets; to finish ownership transition (privatization) of tourist capacities, balanced development of the sector throughout the region, to develop various key tourism sectors e.g. hunting and fishing (particularly, recovery of Posavina as an attraction), winter, summer, health (spa), green, adventure sports, mountaineering, business, cultural, memorial, ethno, receptive, eco-tourism, etc.; to increase the sale of domestic tourist products and services in conditions of strong competition from neighboring countries/ regions of BiH; to increase promotion of tourism on regional/state/wider (foreign market) level; to access donor assistance for tourism; to increase level of tourism entrepreneurship to create more SME; education of rural population for tourism development; to produce tourist offer based on multi-ethnic contents as a way of strengthening reconciliation, development of tourist projects that cross municipal and entities borders.

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
4.1. Tourism Development Strategy of NE BiH	Preparation of the Strategy focused on infrastructure building and use of concessions	NE BiH region	200.000	12
4.2. Study of establishing quality, stability and opportunity of exploitation of oligomineral hyperthermal water in spa resort Dvorovi	Assessment and definition of the opportunities to bottle the water and include it in tourist offer of Dvorovi spa resort	Bijeljina and neighboring Municipalities	58.500	10
4.3 "3J" (Journey, Junction, Job)	Establishing the Centre for education, certification of tourist guides and for tourist exchange information among the sector's actors	34 Municipalities of NE region	326.624	15
4.4. Revitalization of hunting and fishing resources of Bosnian Posavina	Creation and promotion of tourist product "Posavina - paradise for hunting and fishing" and arranging seven destinations	9 Municipalities of Bosnian Posavina	570.000	12

SECTOR 4: TOURISM

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
4.5. Tourist signalization of NE BiH	Signalization of tourist destinations for promotion and better accessibility	NE BiH region	200.000	12
4.6. Development of river and lake sports: hunting-sailing and sports tourism	Arrangement of fishing sites, river banks and beaches, promotion of hunting, fishing, sailing capacities, the river and lake sports' tourist offer of Drina and Perućac	Municipalities Srebrenica (BiH) and Bajina Basta (Serbia)	416.152	12
4.7. Tourist signalization in Posavina	Marking tourist destinations in Posavina, as an instrument for development of transit tourism.	Odžak, Modriča, Domaljevac, Šamac, Orašje, Vukosavlje, Gradačac	100.000	12
4.8. Feasibility study: Economic justification of building spa-recreation centre	Identifying quantities and qualities of geo-thermal water springs and assessing effectiveness of their use for development of recreation-spa and sanatorium-spa tourism as a base for wider tourist offer of this sub region	Municipality Domaljevac - Šamac, Posavina's municipalities	100.000	12
4.9. Feasibility study: Opportunities of use of thermal and mineral water springs for development of spa-recreation tourism	Identifying capacities and qualities of mineral and thermal springs, assessing strategic directions of their use for spa-tourism development in this region	Municipality Tuzla, NE BiH region	100.000	9
4.10. Revitalization of skiing centre "Bukova glava" and recreation centre "Jezero"	Re-building of ski-lift, ski-path and resort's capacities and providing services for over 11.000 skiers	Srebrenica, Municipality Srebrenica, NE BiH region	316.152	5
4.11. Museum "Gate of Bosnia"	Finalization in 1st phase, of rebuilding museum premises of 120 years old Monastery for development of tourism, accessible for schools, tourist organizations, scientists from BiH and abroad	Tolisa in Municipality Orašje, Posavina Canton	450.000	12
4.12. Tourist signalization	Preparation of database of tourist potentials in rural areas of NE BiH and marking key local tourist attractions	BD BiH, NE BiH region	60.000	12
4.13. Feasibility study: Opportunities of use of lake Panonnica and reserves of salted water for development of spa-recreation tourism	Additional assessment of already approved efforts in opening tourist capacities of Panonica lake, as pre-condition for further investments	Municipality Tuzla, NE BiH region	150.000	9
4.14. Archaeological park "Kulište"	Opening excavation site Kulište, celtic-latenic culture, post-station and "road of salt" from Roman period, and its role in development of archeological tourism and NGOs in the region	Municipality Šamac, NE BiH Region	400.000	24
4.15. Sports-recreation-health walk: Spa Guber	Rebuilding and arranging of promenade to spring of Guber spa as a part of spa-tourism of this sub-region	Srebrenica and neighboring Municipalities	428.165	4

SECTOR 4: TOURISM

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
4.16. Building of children resort in Karanovac	Building the resort near source of river Prenja, with 50 beds, sport and recreation terrains	Municipality Petrovo, NE BiH Region	800.000	24
4.17. Rebuilding and equipping buildings in Čavčinovac for the specific schools, camps, seminars and meetings in nature	Rebuilding and equipping neglected building for organizing summer-schools, campuses, artistic galleries for schools, NGO, ecologic associations/movements and artists	Municipality Petrovo, NE BiH Region	350.000	12
4.18. Modernization of lodging capacities for development of youth and sports-recreation tourism	Rebuilding youth-tourism resort's buildings and terrains to transfer it to the open type of tourist services and supporting rural tourism development	Modriča - Riječani, NE BiH region	271.100	12
4.19. Building tourist capacities on thermal springs in Domaljevac	Building spa center, based on use of 3 springs (90°C, over 1.000m deep), that will offer spa-rehabilitation, sport-recreation services, and healthy food (produced in greenhouses heated by thermal water)	Municipality Domaljevac, NE BiH region	5,000.000	12
4.20. Arranging Sava's right riverbank	Cleaning Sava's riverbed, building sport-recreation and tourist capacities	Right riverbank of Sava in Municipalities Odžak, Šamac, Domaljevac, Orašje	950.000	12
4.21. Arranging Bosna's riverbank from Modriča to the mouth in Šamac and building bicycle path	Preparing Feasibility study, building bicycle path and other sport-recreation services	Right and left riverbanks of Bosna - from Modriča to the mouth in Šamac	1,000.000	12
4.22. Potentials of rural tourism: Old Sava's settlement	Rebuilding ancient Sava's settlement as archeo-type of authentic Posavina's village architecture	Municipality Domaljevac, NE BiH region	500.000	6
4.23. Arranging old fortress Rampart above Srebrenica	Rebuilding old fortress from Ottoman period and its use as tourist attraction	Srebrenica, NE BiH Region	206.151	4
4.24. Reconstruction and restoration of Monastery: "Saint Trinity" Sase	Rebuilding over 100 years old Monastery and for tourism and education	Srebrenica, NE BiH Region	37.656	5
4.25. Renovating monument to the fallen soldiers in 2nd World War	Rebuilding Monument and arranging of micro-location as tourist attraction of historic value	Srebrenica, NE BiH Region	n.a	n.a

SECTOR 5: AGRICULTURE AND RURAL DEVELOPMENT

The NE BiH region has very favorable conditions for agriculture and rural development, such as good climate and hydro potentials, fertile and unpolluted soil, agriculture infrastructure e.g. irrigation, institutions for agribusiness production, strong availability of labour at competitive and inexpensive rates, long tradition and experience in agriculture production, good quality of some products, recognized compatibility and synergy with other sectors (tourism, SMEs in agro-processing,...). Most of the advantages have not been used adequately in the last 15 years due to the war damage, land mines-contamination in certain areas, investment-extensive requirements followed by slow rates of return, small-scale agriculture property and farms, mainly old and obsolete technologies, rare implementation of standards in agribusiness, lack of incentives and financial supports, low level of management and marketing used for domestic production, migration from rural areas by labour (educated, youth), inadequate education and training for farmers and managers from agro-business, weak customers' awareness on domestic products value, lack of networks of existing institutions and SMEs in agribusiness etc.

The key needs of the sector's development are: organized sales of agriculture production, protection of domestic production, favorable loans and subsidies for

registered agriculture producers, supplying farmers with cattle livestock and agriculture machines under favorable conditions, applying new technologies and processes for production and packaging, providing TA in production of high quality organic and healthy products including unique sorts of the region, certification and standardization of domestic production, modernization of the cooperatives sector, attracting domestic and foreign investment for food production and processing, restructuring existing capacities in production structures, providing education programmes, demining of cultivable soil, arranging agriculture infrastructure, cooperation and coordination among existing agro-institutions,

The key challenge in the next few years is increasing competitiveness and strong promotion on the domestic market, this being the best means for prevention of further enormous imports of agriculture products from neighbouring countries. This process is burdened by some factors that are outside of the region's control e.g.: lack of conformity between the entities' regulations, harmonization of BiH legislation with the EU acquis in the agriculture sector, continuing unfair competition, unfavourable customs policy, etc.

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
5.1. Basic waterworks solution for Tolisa river basin (project documentation)	Summary review on effects of building waterworks systems in Tolisa river basin for flood control and water supply of neighboring areas	Municipalities: Modriča, Doboj, Gradačac	274.500	24
6.2. Establishing regional cattle breeding repro-centre	Performing selection of cattle breeding genetic potential, breeding of cattle at partners' farms' and selling on the market	Economic region Northeast BiH	850.000	24
5.3. Establishing agriculture counselling service for improvement and enlargement of agriculture production in central Posavina	Providing farmers with advice: metrological prognosis, education in experimental fields and greenhouses, networking in knowledge transfer from faculties and institutes and institutions regarding supply of farmers with subsidies	Entrepreneurial -development zones Šamac, Modriča, Žabar, Pelagićevo	300.000	12
5.4. Equipping laboratory in Orašje for quality control of soil for Posavina area	Analyzing agriculture soil quality for prevention of losses in soil components through use of inadequate artificial fertilizers	Municipality Orašje, covering needs of Bosnian Posavina	10.000	3
5.5. Foundation of nursery plants of domestic types of apple trees, pear trees and cherry trees	Plantation of the orchards of domestic fruits on private farms with the intention of protecting genetic types of domestic apple, pear and cherry trees from disappearing. Enabling organic production of healthy food and preparing it for processing and certification in next phases	Economic region Northeast BiH	500.000	24

SECTOR 5: AGRICULTURE AND RURAL DEVELOPMENT

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
5.6. Centre for certification of agriculture products	Establishing Centre for providing domestic quality certification and the EU standardization for domestic agriculture products, enabling their easier access to domestic and foreign markets	Economic region Northeast BiH	250.000	24
5.7. Intensifying and organizing milk purchase in Petrovo, Lukavac and Doboj municipality areas	Purchasing milk-transportation vehicles for Petrovo in 1st phase and for Lukavac and Doboj in 2nd phase of project: the continuation of project already implemented in Petrovo (5 purchasing stations)	Municipalities Petrovo, Lukavac, Doboj	156.000	6
5.8. Agro-tourism Development	Education of 300 selected traditional producers of agriculture products to offer accommodation and other tourist services in cooperation with Ministry of agriculture and agro-tourism of Toscana region	Municipalities: Doboj Istok, Petrovo, Gračanica, Modriča, Pelagićevo, (Vasiljevo and Koraj)	600.000	15
5.9. Campaign of integration of NE BiH agriculture in EU market	Education and awareness raising among agriculture producers on EU legislation and standards in field of agriculture	NE BiH region	360.000	12
5.10. Arranging canals of Tolisa riverbed	Cleaning vegetation, excavation of mud from riverbed, as well as building drains - as flood control (14.490 m) for protection of agriculture properties	Municipalities Orašje, Šamac and Domaljevac - Šamac	800.000	8
5.11. Cleaning secondary canals' system	Purchasing needed equipment and cleaning secondary canals, intended to protect agriculture soil from lying water	Municipalities Bosanski Brod, Odžak, Vukosavlje, Šamac	500.000	6
5.12. Rebuilding Sava river defensive embankment on the section Orašje- Draganovci	Rebuilding flood control embankment (1.514 m) to protect people, their property and particularly agriculture plants	Municipalities Orašje, Domaljevac, Domaljevac- Šamac, BD BiH	700.000	6
5.13. Foundation of new nursery plants of fruits having pits and plants of berrylike fruits	Building 100.000 m ² of plants per each municipality based on modern technology and supported by organization for purchase total supply	Municipalities Čelić, Lopare, Koraj, Bijeljina	170.000	12
5.14. Capacity building assistance for small and large cattle breeders in area of Bosnian Posavina and NE BiH	Rebuilding mini and large farms for cattle breeding and providing support to farmers to become part of supply chain	Municipalities of Bosnian Posavina and NE BiH region	500.000	6
5.15. Machine Rings of small mechanical tools	Establishing 5-6 rings in each Municipality to support development of production in greenhouses, other protected spaces and on small-scale agriculture properties	Municipalities Bosanski Brod, Odžak, Vukosavlje	400.000	12

SECTOR 5: AGRICULTURE AND RURAL DEVELOPMENT

Project name	Brief description	Location(s)	Value (KM)	Duration (months)
5.16. Milk Production, Purchase and transportation	Establishing purchasing stations, providing milk-carrying vehicle and supplying farmers with additional cattle	Municipalities and Agro business Associations of sub-region Birač	250.000	6
5.17. Investment program for reconstruction of road infrastructure on access to Petrovo and Osmačko fields, and cleaning sections of riverbeds of: Spreča, Sajtovića river, Mramorak and Papraćska	Rebuilding roads to make 1,500.000 m ² of agriculture land more accessible and cleaning riverbeds to protect 4,900.000 m ² of agriculture land from flooding in order to increase the agriculture production in this part of the region	Municipalities Osmaci and Šekovići	156.017	2
5.18. Regional resources centre for improvement of agriculture production in protected space	Building greenhouses for experimental production of vegetables in protected spaces	NE BiH region	350.000	24
5.19. Guarantee Fund for agriculture producers and processors	Establishing Loan guarantee Fund that will provide financial support to agriculture producers through favourable loans with low interest rates	Municipalities in NE BiH region	196.000	12
5.20. Centre for innovations, transfer of knowledge and technology for agriculture and processing production	Establishing 3 Centres in the region to provide education for specialized agriculture properties and processors for more effective use of human and natural resources	NE BiH region	300.000	12
5.21. Feasibility study for organic food production	Assessment of the quantity and quality of soil appropriate for organic food production, and notification of the main directions of development of this type of agriculture	Municipalities of Bosnian Posavina	250.000	12
5.22. Field sprinkling system for agriculture land in the Bosnian Posavina municipalities area	Preparation of feasibility study for fields sprinkling system of agriculture land used for labour intensive cultivation of vegetables	Municipalities Orašje, Šamac, Domaljevac-Šamac, BD BiH	200.000	12
5.23. Foundation of documentation data base of agriculture resources of Posavina sub-region	Establishing agriculture resources database in accordance with current entities' legislation and making necessary analysis to provide more profitable use of resources	Sub-region Posavina: Odžak, Modriča, Vukosavlje, Šamac, Domaljevac, Orašje	800.000	6
5.24. Production and Education centre in field of green housing	Establishing centre for qualification of agriculture producers and pupils of Agriculture secondary school, based on results achieved so far through common projects with NGO BOSPER	Municipalities of sub-region Posavina in NE BiH	450.000	36
5.25. Milk processing production line	Building milk-processing plant (managed by association of farmers) that will enable purchase of all milk produced in area of 3 municipalities and intensifying milk production through increased number of farms	Bosanski Brod, Odžak, Vukosavlje	2,000.000	12

CROSS-SECTORIAL PROJECTS

Projects	Sectors				
	SME 1	HRD 2	Infrastr. 3	Tourism 4	Agri. 5
1.1 Strategic strengthening and networking of entrepreneurship developing zones in region	X		X		
1.9 Free industrial zone	X		X		
1.11 Study - defining ways to use corridor 5C for Posavina's economic development	X		X		
1.12 Support to infrastructural capacities development: RPC Tuzla - Incubator Lipnica	X		X		
1.13 Building stock of goods and duty free zone Domaljevac-Šamac	X		X		
1.15 Continuation of equipping entrepreneurship zones B1, B2 Orašje with basic infrastructure and their business associating with zones from environment	X		X		
1.16 Feasibility study: Preparation and building infrastructural preconditions for business-entrepreneurial zones in municipality area	X		X		
2.3 Support to SME through transfer of "Know How" and through establishing a more favourable business environment	X	X			
3.7 Demining in industrial zones	X		X		
3.9 International airport Tuzla and industrial (business) zone	X		X		
4.3 "3J" (Journey, Junction, Job)		X		X	
4.6 Development of river and lake sports: hunting-sailing and sports tourism			X	X	

CROSS-SECTORIAL PROJECTS

Projects	Sectors				
	SME 1	HRD 2	Infrastr. 3	Tourism 4	Agri. 5
4.15 Sports-recreation-health walk: Spa Guber		X		X	
4.19 Building tourist capacities on thermal springs in Domaljevac			X	X	X
4.20 Arranging Sava's right riverbank			X	X	
4.21 Arranging Bosna's riverbank from Modriča to the mouth in Šamac and building bicyclepath			X	X	
4.22 Potentials of rural tourism: Old Sava's settlement				X	X
5.1 Basic waterworks solution for Tolisa river basin (project documentation)			X		X
5.8 Agro-tourism development				X	X
5.10 Arranging canals of Tolisa riverbed			X		X
5.12 Rebuilding Sava river defensive embankment on the section Orašje-Draganovci	X		X		X
5.17 Investment program for reconstruction of road infrastructure on access to fields Petrovo and Osmačko, and cleaning riverbeds sections: Spreča, Sajtovića river, Mramorak and Papraćska			X		X
5.20 Centre for innovations, transfer of knowledge and technology of agriculture and processing production		X			X
5.24 Production -educational centre in field of green housing		X			X

CROSS-REGIONAL PROJECTS

Projects:	Regions involved:
1.2 Cluster group Beyler - "Export opportunities for furniture, for equipping hotels and resorts in Croatia" in the framework of programme of association of entrepreneurs, owners of furniture producing SME	NE BiH, NW BiH and Central BiH
2.2 Establishing Welding Institute in Tuzla	Entire BiH
4.6 Development of river and lake sports: hunting-sailing and sports tourism	NE BiH, neighboring region in Serbia (cross-border dimension)
5.1 Basic waterworks solution of Tolisa river basin (project documentation)	NE BiH and NW BiH
5.7 Intensifying and organizing milk purchase, in area of municipalities Petorovo - II phase: Lukavac, Dobož	NE BiH and NW BiH

PROJECTS THAT ARE PRECONDITIONS FOR THE IMPLEMENTATION OF OTHER(S)

Projects from this programming framework are either interdependent or complement each other. Projects from different priority sectors can also complement each other. The complementarities will increase cooperation and partnerships between actors during the projects' preparation and implementation, a factor that particularly represents added value.

THE FULL PROJECT PIPELINE RENEWAL DOCUMENT, WHICH INCLUDES PROJECT FICHES, ALONG WITH THE ORIGINAL 2004-2007 REGIONAL ECONOMIC DEVELOPMENT STRATEGY IT COMPLEMENTS ARE AVAILABLE ON: **www.nerda.ba**

BOTH THE ORIGINAL STRATEGY AND THE RENEWED PROJECT PIPELINE WERE PRODUCED WITH THE SUPPORT OF THE EUROPEAN UNION.

This publication was funded by the EU but the content is the sole responsibility of the contractor and can in no way be taken to reflect the views of the European Union.

ACTIONS FOR REGIONAL AND ENTERPRISE DEVELOPMENT



M.M.Baškije 6/III, 71 000 Sarajevo, BiH
Tel.: +387 33 267 830: Fax: +387 33 267 101
E-mail: eured@eured-sme-bih.org



EU Support to SME and
Regional Economic Development
in Bosnia and Herzegovina
This project is funded
by the European Union