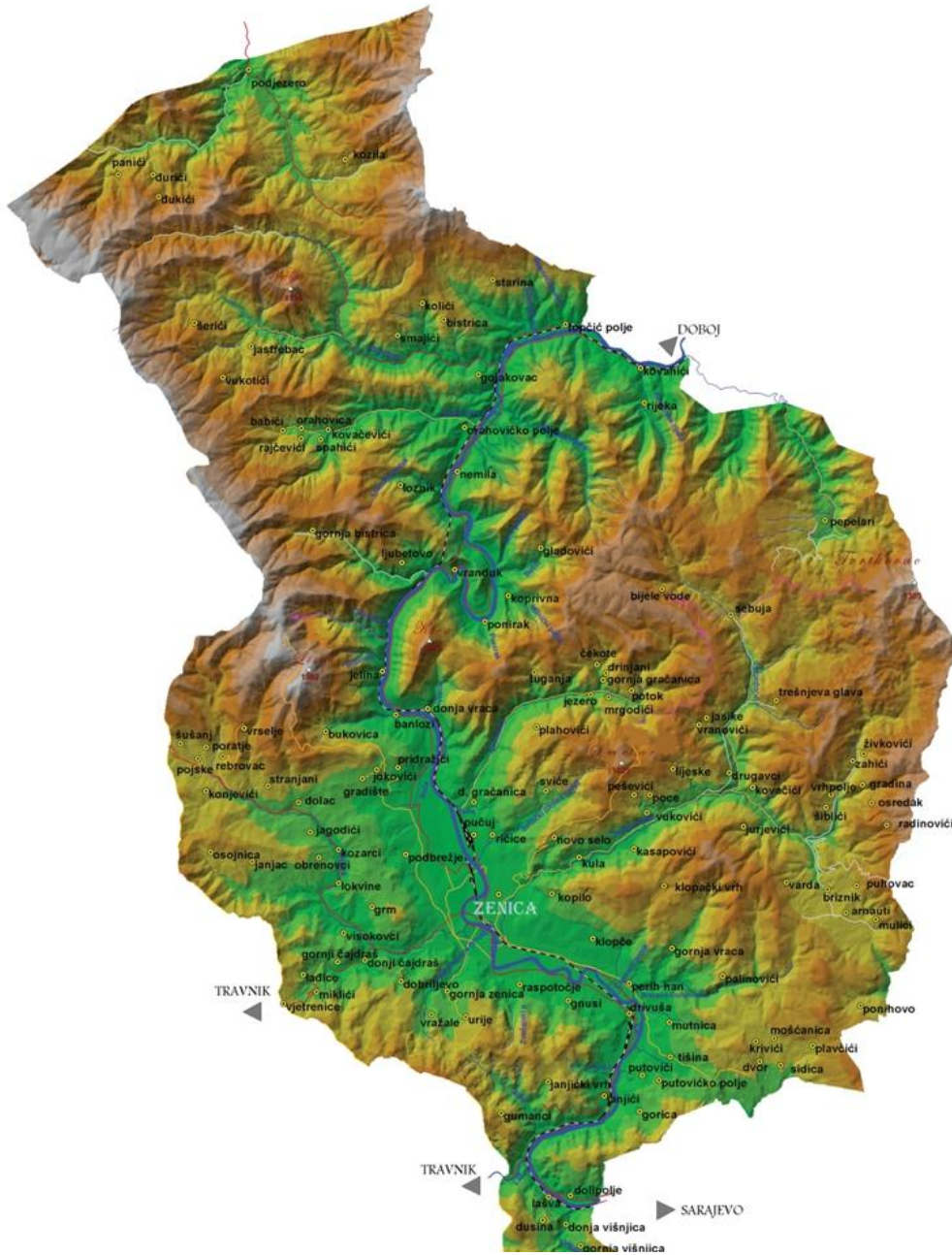


# THE MUNICIPALITY OF ZENICA

## LOCAL ECONOMIC DEVELOPMENT STRATEGY

### 2012 - 2022



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## INTRODUCTION

*Integrated development strategy of the Municipality of Zenica 2012–2022. is a key strategic planning document of the Municipality of Zenica aimed at fostering future community growth and development. This Development Strategy includes social, economic, environment and spatial aspects.*

*The Strategy is developed as a framework for defining communal goals, motivating local forces, but also as a response to future municipal development and overall life challenges. Integrated development strategy is harmonized with strategies and policies at the higher government levels, first of all with the Draft BIH Development Strategy 2008-2013, Development strategy of ZDC and with other sectoral strategies at the state, entity and canton levels. It is also consistent with the documents developed by international organisations as an indispensable tool and reference point in a process of its formulation and outcomes, particularly when it comes to human rights, rights of children, women, minorities, persons with disabilities and others.*

*Mayor of Zenica appointed the work groups tasked to develop this Integrated development strategy, with the full-fledged participation of the public, private and non-governmental sector representatives.*

*The Strategy offer the information to the public in general and the investors in particular about the municipal development processes; it constitutes the basis for development of detailed programs and plans in specific sectors; it creates the base for monitoring of the progress and encourages cooperation and collaboration in the process of creating planning documents for differing levels of authorities and socio-economic partners.*

*The Integrated development strategy offers guidelines for overall development of Zenica by clearly including economic, social and environmental protection always complying with the existing elements of spatial structuring. The vision of development and strategic goals of the municipal development are defined for the 10-year period. Taking into consideration the fact that setting goals includes not only the answer to what but also the answer to how questions and that the answer to this question plays the key role when it comes to the quality of the Strategy implementation; the Local Development Team developed the sectoral plans and operational section of the Strategy, its operational objectives, programmes, projects and measures aimed at improving the quality of life, all specified for a 5- years period. The framework operational plans are developed for the 3-years period.*

*It needs to be pointed out that the Strategy includes the list of priority projects and programmes in each sector, the implementation of which will contribute to accomplishing the specified goals, thereby making the foundation for overall Strategy implementation. Furthermore, the priority programs and projects are not just the base for utilization of municipal and other local resources, but make a good ground for access to external resources, for example those from the European Union and other support programs in Bosnia and Herzegovina.*

*In the process of developing of the Municipal Strategy, a special attention has been paid to achieving both horizontal intersectoral synchronization and harmonization with the upper government level strategies and plans. Also, inter-municipal cooperation initiatives received a great deal of attention throughout the process.*

*Throughout the Strategy development process, the reference was made to relevant international documents covering the issues of local communities integrated planning (Universal Declaration of Human Rights, Convention on the Rights of the Children, Convention on gender equality, Convention on minorities equality etc. ) as well as a number of local documents like The Agreement between the Municipality Zenica and NGO sector, Action plan for prevention of juvenile delinquency in ZDC, Pre-school education strategy etc. .*

*As a prerequisite for the quality and timely implementation of the Strategy it has to be accepted as an important document by the entire local community and higher level authorities. Moreover, the Strategy-given mechanisms for its implementation, reporting, upgrading and overall operationalization shall be taken care of by the local government as well as all other local stakeholders, as an ongoing task to be fulfilled in the years to come.*

*The ILDP Integrated Local Development Project offered a major technical assistance to the Local Development Team with the financial backing of SDC Swiss Agency for development and coordination funds and UN Development Program UNDP.*

## **INTEGRATED LOCAL DEVELOPMENT PLANNING METHODOLOGY**

When drafting a strategic development plan for the Municipality of Zenica, the standardized Integrated Local Development planning methodology ( MiPRO) was used, as accepted and recommended by the Entity governments and the Associations of cities and municipalities of both entities. MiPRO is fully compliant with the existing legislation which regulates the local development planning with municipal authorities playing the leading role in strategy development and implementation including maximum engagement of other local stakeholders.

Furthermore, MiPRO is in full compliance with the leading principles and approaches promoted by the European Union.

Sustainability and social inclusion are leading principles of the Zenica Local Development Strategy. Sustainability, as a principle, integrates the aspects of economy and environment, whereas the principles of social inclusion offers equal opportunities for all and introduces equity factor in terms of identification of needs and interests of the marginalized groups and socially excluded segments of population.

Furthermore, Development Strategy includes integration (meaning that economic, social and environmental aspects are considered as an inseparable part of the whole) and participation (all stakeholders actively engaged in making their contribution to the Strategy development).

The local government took the active part in the Strategy development process led by a firm belief that strategic planning makes a key instrument for proactive and responsible local development management. The very process of the Strategy development, initiated by Mayor and supported by the City Council, was launched by signing the Memorandum of Understanding between the Municipality of Zenica, and later on by setting up task groups, Local development team and Partnership group. Zenica's Mayor has assigned the role of coordination and operational support throughout the Strategy development process to the Local Development Agency - ZEDA.

The local development team has provided an overall operational guidance, and the process itself gave birth to suitable mechanisms for active civil involvement, mainly through the work of the Partnership group – a consulting body that consists of the public, private and nongovernmental sector representatives. A special attention has been given to involvement and adequate identification of the needs of the potentially vulnerable segments of population. In total, this process involved more than 200 citizens.

The starting point in making the Zenica's Local Development Strategy was a review of the existing strategic documents, a degree of their actual implementation, as well as the quality of human resources required for the Strategy development and implementation. This review was based upon the analysis of relevant qualitative and quantitative data from primary and secondary sources.

The focal and most important part of the Strategy is its strategic section, i.e. a strategic platform, which includes socio-economic analysis, strategic focuses, vision of development and strategic development goals. A strategic platform mainly comes as a result of the work of the Local development team. Sectoral plans of the economic and social development, as well as the environment protection and improvement plans have been made by ad hoc sectoral work groups made up of the public, private and non-governmental sector representatives.

At the final stage of the development process, the Local development team acting in compliance with the principle of integration, put together and synchronized all sectoral documents and made a three-year framework planning documents, including development plans for organizational and human resources required for efficient implementation of the Strategy.



## I. STRATEGIC PLATFORM

### EXTRACT FROM THE SOCIO-ECONOMIC ANALYSIS

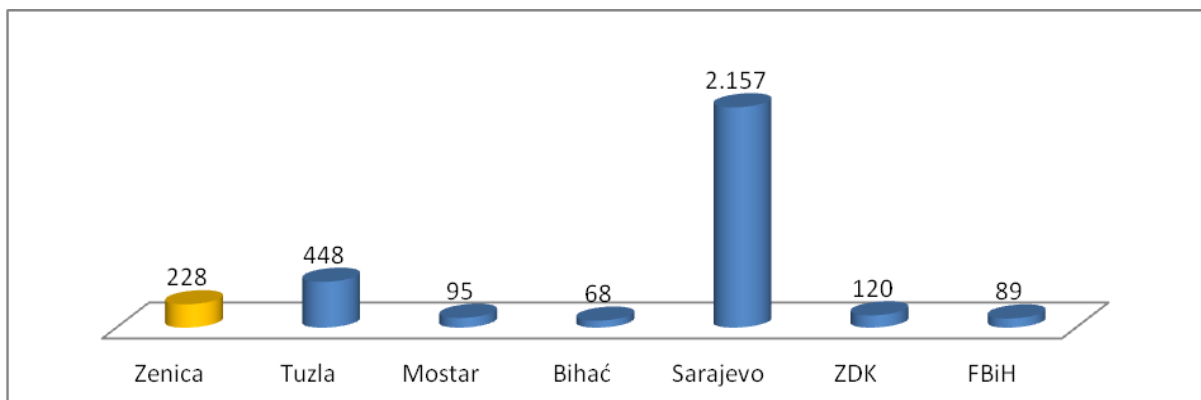
#### 1. GEOGRAPHIC-COMMUNICATION CHARACTERISTICS AND NATURAL RESOURCES 1

Zenica covers an area of 558,5 km<sup>2</sup>, with the population of 127.000. Zenica is situated on a relatively large erosive widening of the Bosna river course that makes part of the valleys of the central Bosnia low mountains. It has an attractive geo-communication position and features as an industrial centre of the geographic region of Central Bosnia. The railroad and M-17 Highway, or a section of the future Vc Motorway almost cut across the downtown area. Zenica is located 74 km north of Sarajevo.

Central Bosnia Basin, Zenica included, has large quantities of brown coal reserves. The limestone is also present at multiple locations, with the locality of Seoci rich in diabase (suitable for use in construction industry). Besides, when it comes to possible sources of non-metal secondary raw materials the industrial waste disposal sites of the Coal Mine (Halda - Brist) and Steelworks (Rača) have a great economic potential, which includes the communal waste disposal site Side too.

#### 2. DEMOGRAPHIC ANALYSIS

Population-wise, the Municipality of Zenica is the second largest in the Federation of Bosnia and Herzegovina. In 2009. the population of Zenica in its 83 populated settlements was 127.105, which makes 31,7% and 5,5 % of the ZDC and BiH Federation respectively. The number of inhabitants of the Municipality of Zenica in 2009. was lower than its population in 1991 by 12.7%. The total number of households increased from 41,803 in 1991. to 47,751 in 2008., with the decrease of the average household members from 3,48 in 1991. to 2,66 in 2008. The population density in the Municipality of Zenica is almost twice as high as the average population density of ZDC and two and a half times higher than the average density of the BIH Federation.



**Figure 1.** Comparison of the population density in municipalities (residents/km<sup>2</sup>)

According to the OECD criteria which defines areas with the population density lower than 150 residents/km<sup>2</sup> as rural areas, Zenica Municipality may be characterised as mainly urban area. The estimated urban/rural residents ratio in 2005 was 73:27.

Between 2001 and 2009, components of natural population growth, size, birth rate and mortality rate varied around its nine-year averages set at 1204 for birth rate and 1023 for mortality rate. These data make us

<sup>1</sup> Information taken from Study on traffic system of Zenica with analysis and forecast of traffic, Institute of traffic, Faculty of Civil Engineering, University of Sarajevo, Sarajevo, June 2007.

conclude that during this 9-year period under report, Zenica showed continuing positive population growth. The natural population growth rate in 2009. was 2,26%, which conforms to the demographic patterns recorded in the developed European countries, which have the type of aging population and whose natural population growth rate is 3 % or less.

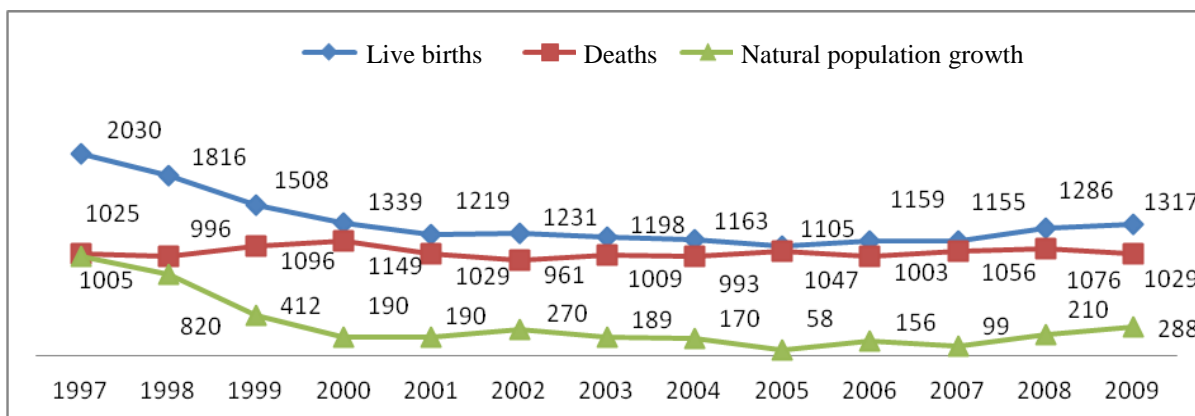


Figure 2. Natural population growth rate in the Municipality of Zenica

However, the total natural population growth over the past 9-year period recorded as 1,630 didn't result in the population increase in urban areas. Taking in consideration that the population in 2009 was lower than that in 2005 by 499 inhabitants, we comes to a conclusion that the migratory changes in recent years resulted in a negative tendency. This is also affirmed by the analysis of migratory changes in the Zenica Municipality reported in the proces of development of the Zenica-Doboj Canton (ZDC) Economic Development Strategy of 2010 – 2012..

The population age structure analysis is of essential importance when assessing the needs of population for some specific kinds of services (pre-school education, schools, health care etc.) as well as when assessing the future changes in the number and structure of the population.

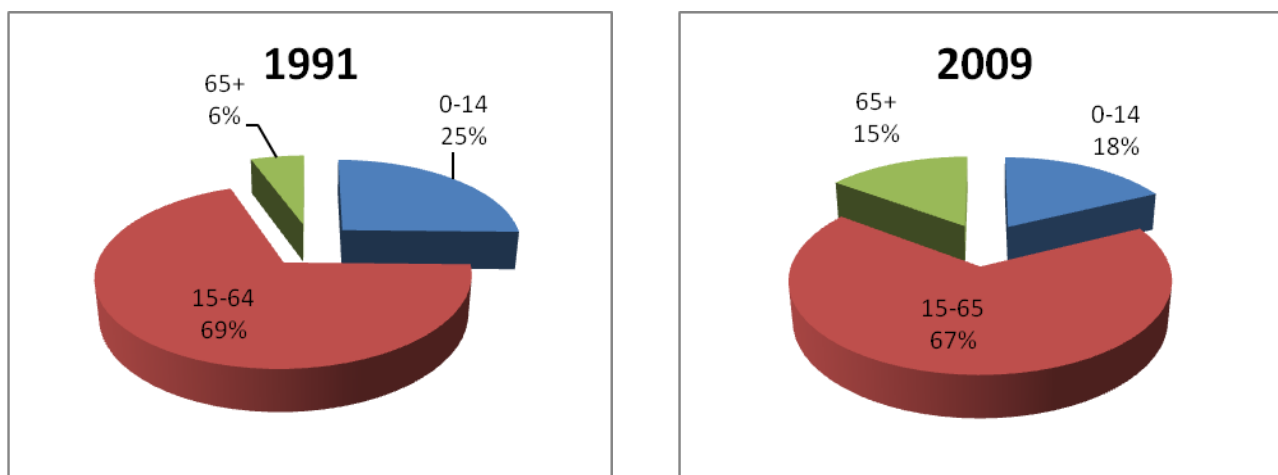
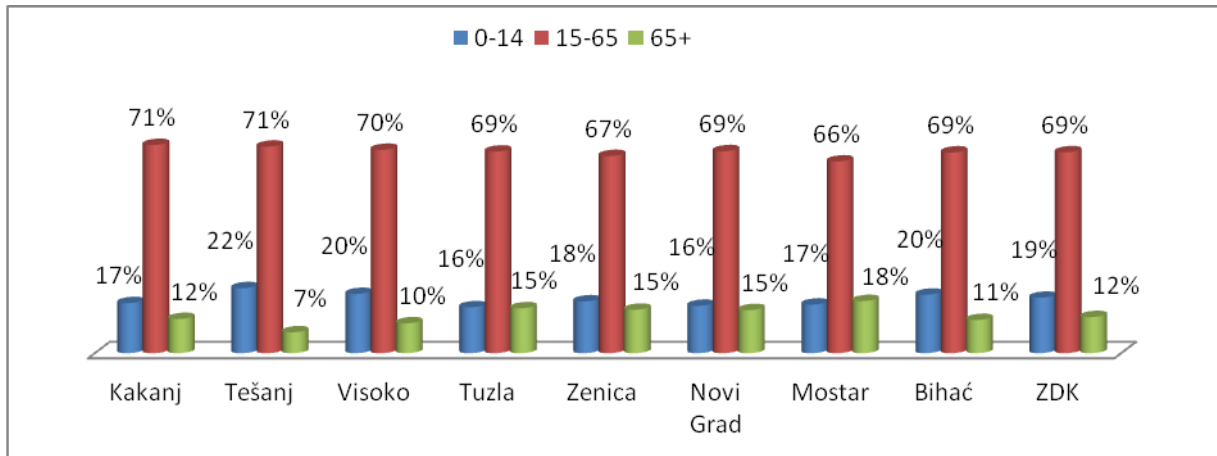


Figure 3. Changes in population age structure of the Municipality of Zenica

Obviously, the population age structure in the Municipality of Zenica in 2009. greatly differs from that in 1991. The portion of the older population is much larger, whereas the percentage of the young population largely decreased. The percentage share of the active population in the total number of population is lower by 2 %.





**Figure 4.** Comparison of population age structure (2009)

When compared to the other municipalities and the average figures in ZDC, the Municipality of Zenica, with exception of Mostar, has the lower percentage of active population in its total population. When compared to the municipalities with similar number of inhabitants, the Municipality of Zenica has the highest percentage of younger population in the total population (18%) and identical percentage of older population. When compared to the ZDC average, the share of younger population in the Municipality of Zenica is lower by 1%, and the share of older population is higher by 3%.

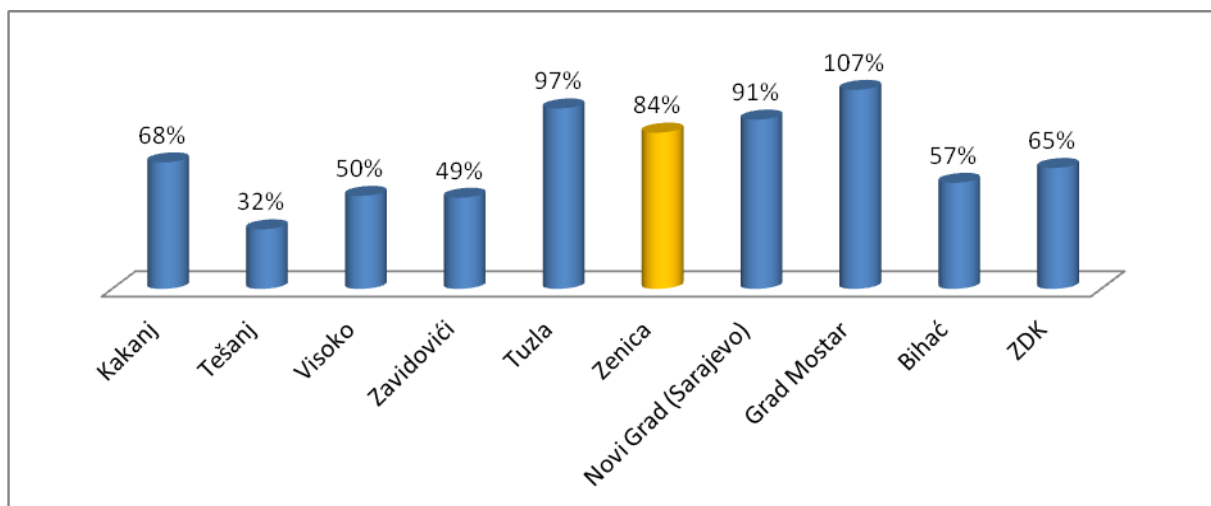
A glance at the indicators given in the Table 1 suggests that the population of Zenica could be classified as regressive type of population.

Type fo population	0-14	15-49	50+
<b>Progressive</b>	40%	50%	10%
<b>Stationary</b>	26,5%	50,5%	23%
<b>Regressive</b>	20%	50%	30%

**Table 1.** Type of population according to age structure

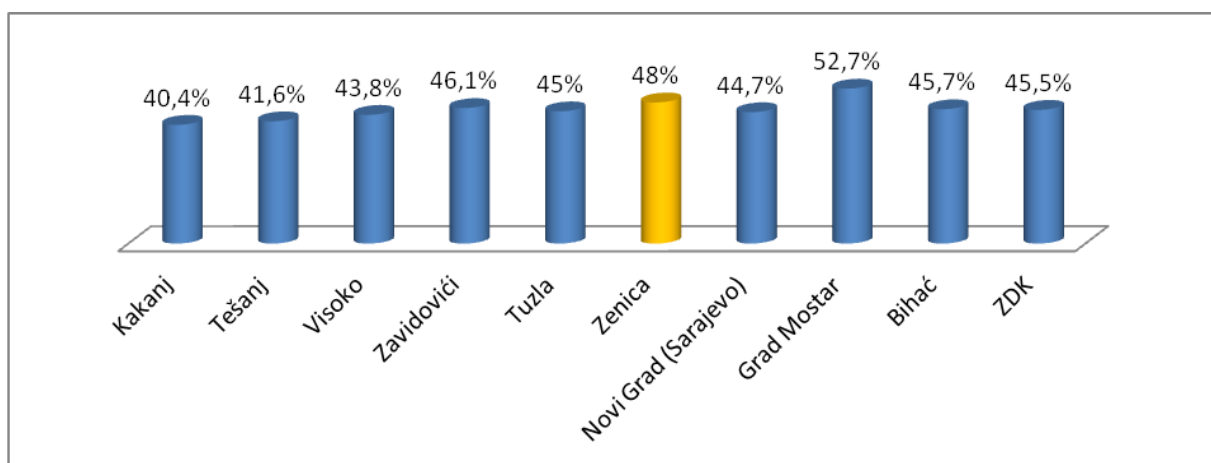
According to the methodology used by UN in defining the type of population, the population of Zenica is classified as *older population*<sup>2</sup>.

<sup>2</sup> According to the methodology used by UN, the population in which the share of the population older than 65 is under 4 % is classified as younger population, whereas the population in which the share of the population older than 65 is between 4 % and 7 % is classified as mature population, while the population in which the share of the population older than 65 is above 7 % is considered as older population.



**Figure 5.** Comparison of population aging indices (2009)

Aging index of 84 % indicates that for each 100 residents aged 0-14 there are 84 residents older than 65. Population aging index of the Zenica municipality is higher than the aging index in larger ZDC municipalities and higher than the average ZDC aging index. Also, the Zenica’s population aging index is 12,5% higher than the average population aging index of the Federatin of BiH (71,5%). When compared to the other larger municipalities of the similar size ( Tuzla, Mostar), the population aging index is less pronounced. The communities whose aging index is lower than 0,40 (40%) are going through the aging process. As the Zenica’s aging index is twice as high as the limit value – this strongly indicates the community with the graying population.



**Figure 6.** Comparison of the total age dependency ratios (2009)

Total age dependency ratio constitutes the level of burden imposed on the active population by the younger and older segments of the population. The Municipality of Zenica has a total age dependency ratio of 48 %, which means that for each 100 inhabitants there are 48 inhabitants whom they have to sustain. The Municipality of Zenica has the highest total age dependency ratio (apart from Mostar). Also, the total age dependency ratio is higher than the average ratio in ZDC.



### Summary

The population of the Municipality of Zenica has gone through major changes and discontinuity caused by the war. Because of this discontinuity as well the absence of population census, it is not possible to undertake a proper analysis nor is it possible to make projections of the demographic changes. The analysis presented gives some clues about the current situation. When compared to 1990, the total population has decreased, but the total number of households increased. This increase of the number of households is mainly caused by the lower size of the average household.

The present situation in the Municipality of Zenica does not dramatically differ from the general demographic trends in FBiH or BiH. Unlike a great number of other BiH municipalities, the natural population growth has shown upward tendencies since 1997.

The average natural population growth over the past 9 years have revolved around the values indicative of graying population and amounted to 2,26 ‰. Also, the population age structure in 2009 of 15% inhabitants older than 65 and 18% of inhabitants younger than 15, indicates that the Zenica's population is graying population or classifeid as regressive type of population.

The population aging index of the Zenica Municipality in 2009 was 84% , or 12,5% higher than the average population aging index in FBiH. The population with aging index higher than 0,40 ili (40% )is going through the process of aging. As the Zenica's population aging index is twice as high as the limit value this certainly indicates the graying population.

Even though the data available are greatly insufficient for any well-founded analysis given the lack of population census, all primary indicators show that Zenica Municipality has a population with the characteristics similar to those of the developed European countries.

### 3. MAJOR ECONOMIC INDICATORS

According to the Federal Insitute for Development Programing , GDP of the Zenica municipality in 2009. was 864,4 million KM or 6,801 KM per capita. Gross domestic product of the Zenica Municipality records continuing and relatively high growth rates. Between 2003 and 2009, the average growth rate of real GDP per capita was 7,75%.

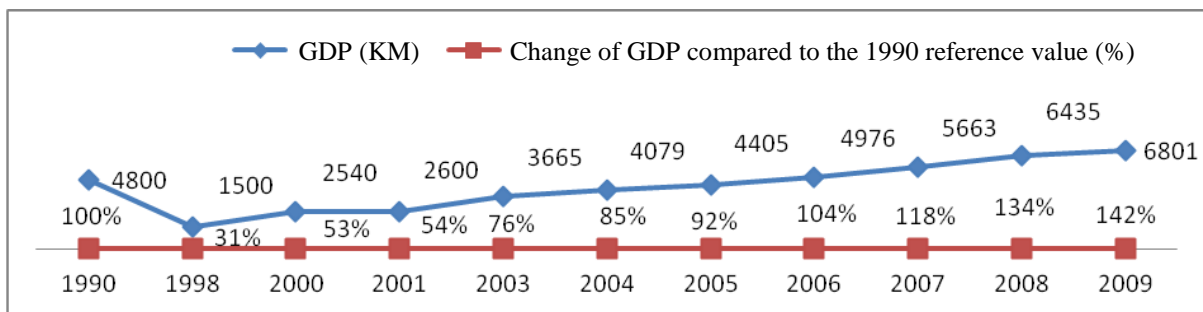


Figure 7. GDP per capita in the Zenica Municipality

In 2009, the GDP per capita in Zenica municipality was a little higher than the average GDP per capita in FBiH and much higher than the average GDP per capita in ZDC. The data available on GDP at the municipal level should be taken with reservations because of the methods used in its calculation. The methodology used sets the number of employed against the average incomes. The present data statistics do not offer a realistic picture and do not reflect the real situation in the labor market.

A continued growth of GDP did not result in increased employment. It was just sufficient to neutralize the dramatic effects caused by the economic transition and transformation of the BiH economy. With the development of private sector and by attracting new investments, the Municipality of Zenica has succeeded in

mitigating the consequences of the huge loss of jobs at large industrial systems which used to be the backbone of the municipal economy.

Zenica, as one of major economic centres in BIH found itself during the transition period in a particularly difficult position, mainly caused by its pre-war monostructural economy that relied on heavy industry which practically came to a halt with the dissolution of the former state, i.e. discontinuation of business relations that were prerequisites for the survival of those large systems, as well as for global market changes, technological backwardness, the obsolete communal and urban infrastructure, demographic and other changes.

It took the well-conceived, organized, powerful and effective process of change management with the maximum involvement of all stakeholders organised in a sort of coalition to bring about changes that resulted in a tangible economic development of the Municipality.

The local administration took a proactive approach in creating conducive climate for business development thereby creating preconditions for local economic development and greater presence of strategic investors.

Between 2003 and 2010, 70 companies launched their businesses with the total investments of 650 millions KM, the most important ones including *Cimos, RM-LH, Arcelor Mittal, Metalno, Messer, Franca Zmajevac*.

The Local Development Strategy of the Zenica municipality 2002-2017 defined two criteria for selection of prioritized projects, namely:

- Programs and projects that improve and create positive climate for business development, and
- Support to expansion of micro companies, small and medium sized enterprises (SME) aimed at creation of new jobs.

With the implementation of the specified priorities, the vision of the future Zenica came to being with the visible development and greater support for SMEs. The infrastructure and local development mechanisms were put in place (Local Economic Development Agency ZEDA, Business Park, Business Incubator, Science and Technology park etc.). The environment was created for entrepreneurs to use business services and take part in the program activities of these development centers. It brought about change in the way of understanding of one's own role and mission both at the level of the local government and among the business people and population at large. All this taken together resulted in development of the generally conducive business climate.

#### 4. FOREIGN EXCHANGE TRADE

The volume of the Zenica's foreign exchange trade in 2009. was 472.997.000 KM, the 47,7% of which export and 52,3% import. The total volume of the foreign exchange trade is higher than that in 2007. by 4,1% , with the export increased by 120,2% and import decreased by 7,3%, so that the export/import ratio increased from 70,5% in 2007. to 91,3% in 2009.

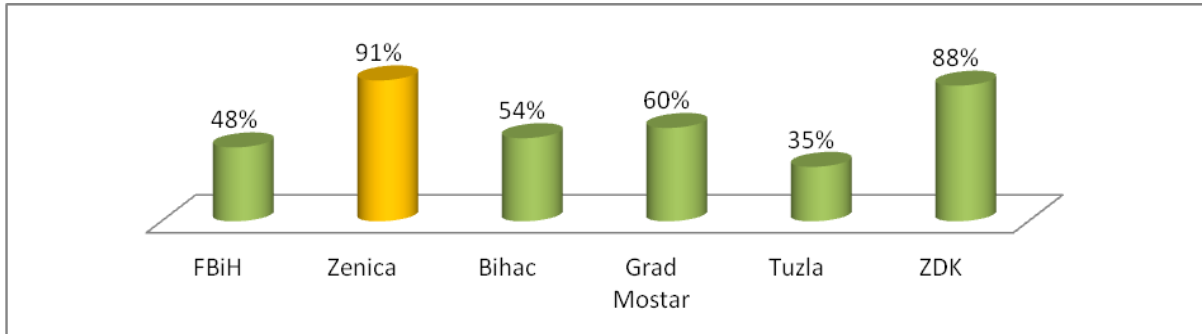


Figure 8. Export/import ratio in 2009<sup>3</sup>

The largest Zenica's exporters include *Arcelor Mittal* and *Metalno*, whose share reached 94,7%, and 90,7% of the total export of the Zenica industry in 2007 and 2008 respectively.

#### 5. INCOMES AND THEIR EFFECTS ON THE SOCIAL STATUS OF THE POPULATION

Over the past 9 years, the average net salary in the Municipality of Zenica has increased from 458 KM in 2001. to 792 KM in 2009..

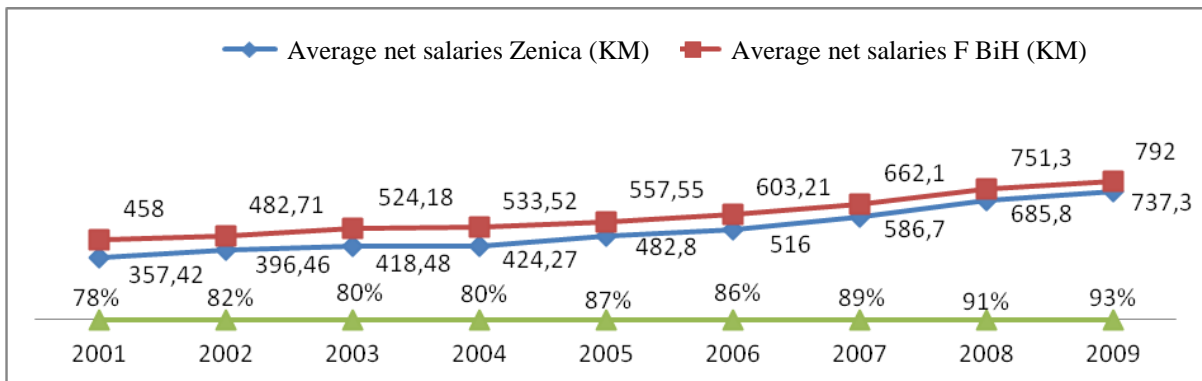


Figure 9. Average net salary and comparison between the average net salary in the Municipality of Zenica and FBIH (KM)<sup>4</sup>

The average net salary in the Municipality of Zenica is lower than the net salaries in FBIH. The difference between the average net salary in Zenica and the net salary in FBIH has been decreasing steadily. While in 2001 the average net salary in the Municipality of Zenica amounted to the 78% of the net salary in FBIH, in 2009 this difference was decreased and the average net salary in the Municipality of Zenica was 92% of the net salary in FBIH.

<sup>3</sup> Source: *Socio-economic indicators of development in 2009 in the BiH municipalities*; Federal Institute for development programing ; April 2010.

<sup>4</sup> Source: Publications of the Federal institute for Statistics

The average retirement benefit in the Municipality of Zenica is a bit higher than the average retirement benefit in FBiH. There were 19,780 retired persons in 2009, 50,2% of which as old-age pensioners, 20,1% of disability pension beneficiaries and 29,7% of the family pensions. The amounts of the average retirement benefits are even lower for the disability retirement benefits (317 KM) and for the family pensions (310 KM).

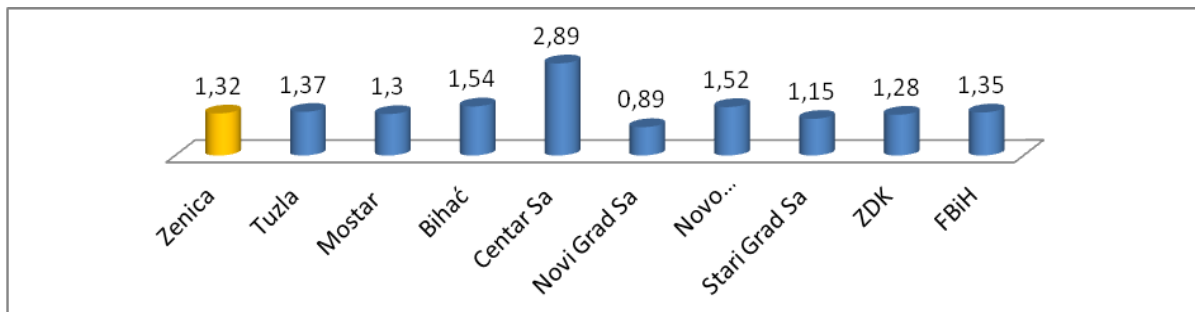


Figure 10. Employed/Retired Ratio (in 2009)

When it comes to the employed/retired ratio, Zenica has a better average (1,32) than that of ZDK.

## Summary

*A brief overview of the socio-economic situation indicates the continuing high rate of economic growth. This did not led to a major increase in employment rate, but definitely neutralized the consequences of a huge loss of jobs in the companies that used to be the main employers.*

*When Zenica Steelworks discontinued its production during the war, the pre-war 20 000 employees were reduced to only 6,000 who worked in the newly established BH Steel Company. With the BH Steel taken over by Acelor Mittal, only 3,000 workers remained. This hugely contributed to the high level of unemployment, as the rest of active companies could not absorb all persons that had lost their jobs.*

*A number of unemployed persons started up their own business (gray economy). These people earned for living by working in the sphere of gray economy, but for the statistics, they still remained unemployed.*

*When operating in an open market, one has to be export-oriented. On the other side, import is also very important, especially that of new technologies and know-how. So, the open markets are not only a threat but also an opportunity, with the pronounced role of direct foreign investments and business matching. This is why creation of conducive business environment is a prerequisite for greater presence of the investments.*

## 6. THE STRUCTURE OF THE LOCAL ECONOMY

A socio-economic image of Zenica is closely related to the developments in energy and primary sector, which means that municipal economy face structural problems that largely affects the employment and unemployment figures, ecology, natural resources and social situation. At the same time there are other economic activities in Zenica that create knowledge and build up quality human potentials, as well as modern business services whose role and contribution will be crucial in the future development.

The Zenica's industry is dominated by mining, energy and processing industry, or the groups of inter-medial production of medium low technologies (coke production, metal production and production of metal products other than engines and equipment).

If the Zenica industry is assessed from the point of view of its importance for the municipal development, some business activities rank high in the number of employees which is higher than the FBiH average for the same economic activities. These businesses are: coal mines and quarries, processing industry and transportation, warehousing and communications.

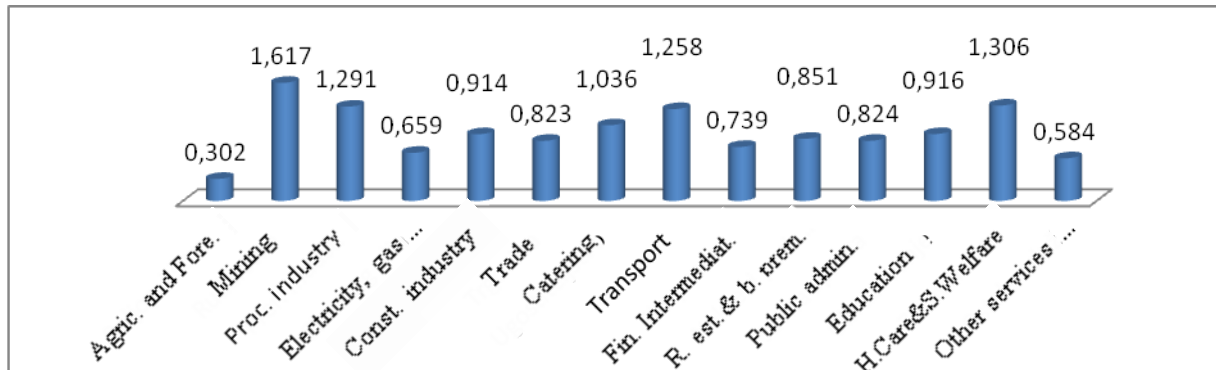


Figure 11. Analysis of the local economy by SKD loci quotient (2009)

The above mentioned businesses have location quotient much higher than one, which shows these are *export* businesses, in which employment of every new worker has a multiplication factor through new workplaces in supporting businesses.

The coal mine and quarry businesses have the highest employment concentration and in the last 3 years the value location quotient has not changed. This indicates that this line of business is stable and strong local business.

## 6.1. Agriculture

The location quotient analysis indicates the low level of agriculture development in the Municipality of Zenica. The concentration of employment in agriculture, hunting and forestry in the Municipality of Zenica revolves around 30% of the average employment concentration for the same sectors in FBiH. Agriculture, hunting and forestry in the Municipality of Zenica have not reached the development level that would meet the needs of the inhabitants living in the municipal territory.

When compared to the pre-war situation, huge steps were made in agricultural production, primarily in its restructuring. The Municipality of Zenica, with its 25 ha under soft fruit, became one of the important producers of this type of products. Particularly important was the huge improvement in milk production. In the municipal area the raw milk buy-off was 101000 l. The average quantity of the milk bought off in the past 3 years in the municipal territory was 1,75 million l. Currently, the ZIM Milk Factory meets the 70% of its needs for raw milk in the area of the Municipality of Zenica.

The areas under intensive orchards in so-called dense planting indicate upward trends. In the last 10 years they have been increasing by 8-9 hectares each year. When it comes to traditional husbandry, the production of onion and carrot is increasing (800-1000 tons/year), while traditional potato production has stagnated in recent years.

The results in agricultural production would have been significantly higher had there been capacities for fruit and vegetable processing, cold storages for the fruits bought off and packing machines to pack it up properly. Without installing some of these facilities one could hardly expect its due marketing, which is essentially the most important prerequisite for the agricultural development. In the months to come, what needs to be done is find ways to install processing facilities. The major incentives for agriculture include support for primary production at the level of the municipality, canton and Federation of BIH.

In the past 5 years these incentives totalled between 500,000 and 800 000 KM per year, for different kinds of agricultural production.

According to the surveys in the Municipality of Zenica, 8500 households make their living in agriculture, while 4500 households make 50 % of their income from agricultural activities.

The agricultural land takes up 33,4% of the total Zenica area , with 92,9% of cultivated land and 7,1% of pastures. Major part of the cultivated land includes meadows (54,9%), 33,3% arable land and 11,8% orchards (Figure 12.).

Agricultural land	Forests	Unproductive land	Total
16.553,43	30.764,79	3.228,71	50.546

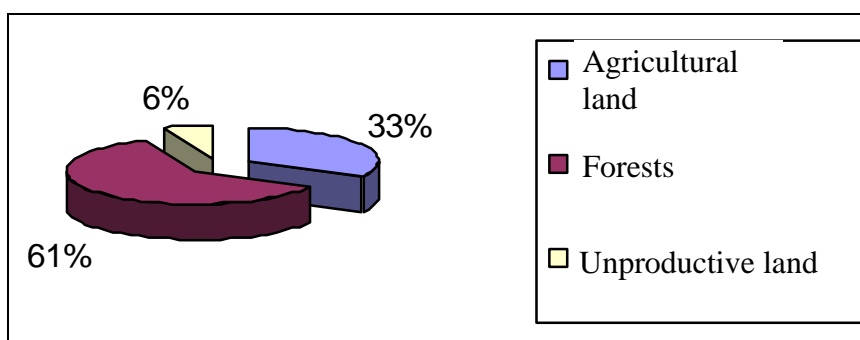


Figure 12. Land structure in Zenica Municipality

Almost all the agricultural land is private property (95,3%), namely: arable land and gardens 96,5%, orchards 97,8% and meadows 74,0%. Only 4,7% of the total agricultural land is public property. When it comes to quality, very few pieces of land are of the highest quality. The arable land from first to fourth class takes up only 21,1% (3,3% in first two classes and 17,8% in last two classes ), 53,6% are in fifth and sixth class, and 25,3% in seventh and eighth class. As to other use classes, most areas fall under the first four classes (orchards 86,6%, meadows 88,3% and pastures 96,5%).

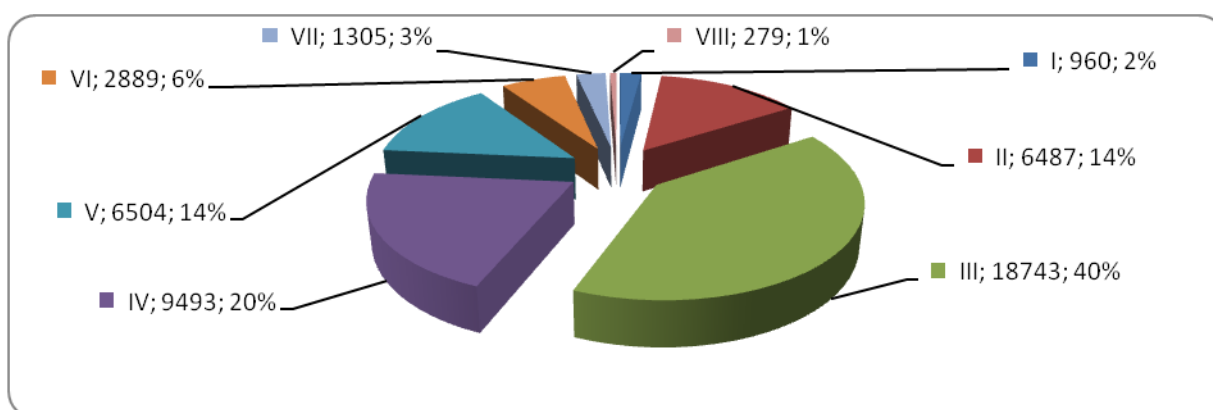
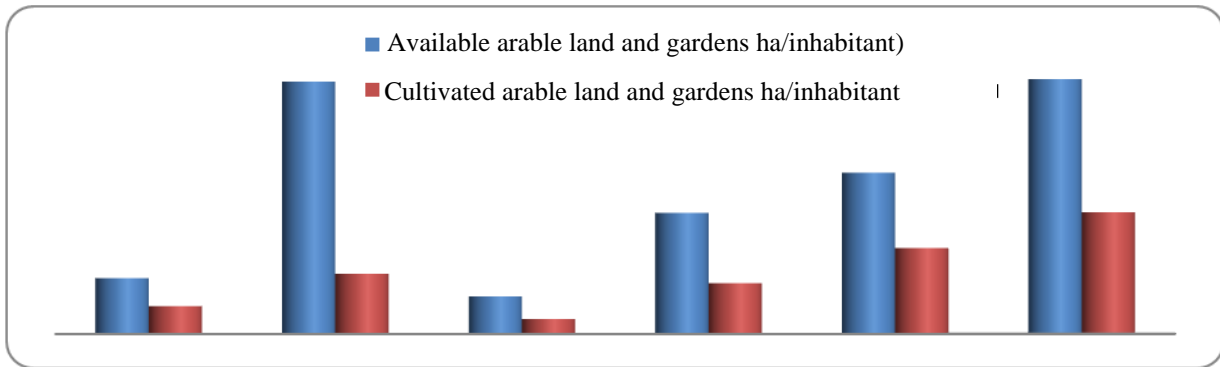


Figure 13. The structure of agricultural land as per quality classes (2009)

According to the *Institute for development programming* the land available in the Municipality of Zenica includes: 0,038ha of arable land and gardens per inhabitant. Only 0,019ha/inhabitant is cultivated.



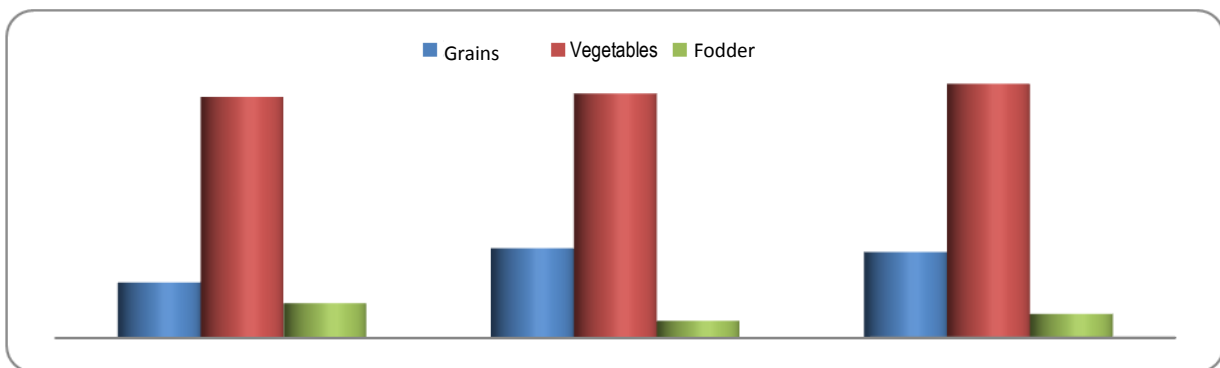


**Figure 14.** Comparison of the available arable land and gardens per inhabitant and the cultivated arable land per inhabitant (ha/inhabitant)<sup>5</sup>

These indicators rank lower than the average available and cultivated areas and gardens in ZDC and FBiH territory. The literature often quotes two standards in availability of land per inhabitant sufficient for people to provide their own food. These standards are from 0,24ha to 0,4ha of arable land per inhabitant, which enables a production required for feeding a single person. We can see that land available in the Municipality of Zenica is much lower than the value mentioned above, so that the agricultural production in the Municipality of Zenica can meet only partial needs of its population.

### 6.1.1. Type of Production

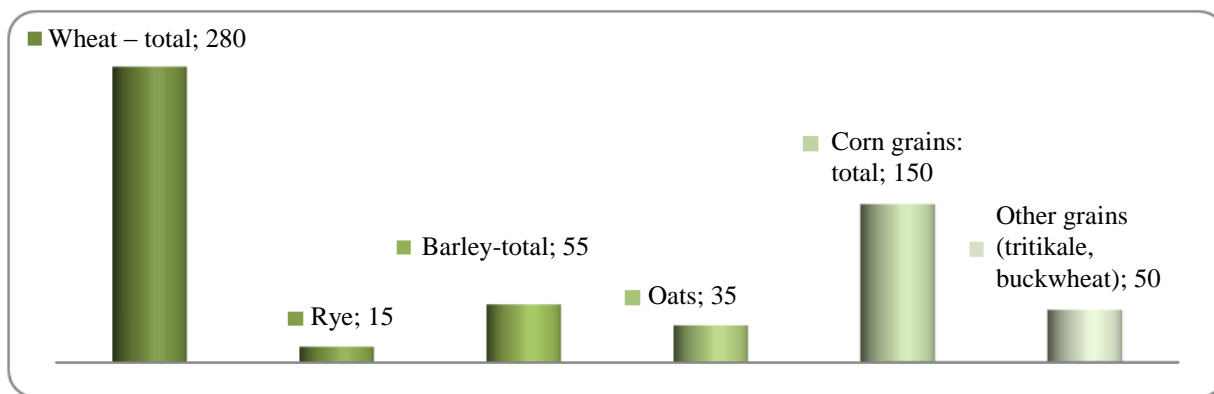
As we can see in the following figure most of our arable land and gardens are used for vegetable production. It is also obvious that the cultivated land under grains and vegetable increased and that under fodder decreased.



**Figure 15.** The size of cultivated arable land under various types of cultures in the Zenica municipality

Sown/harvested areas of grains take up 11,4% of arable lands. The most common grains are wheat and corns.

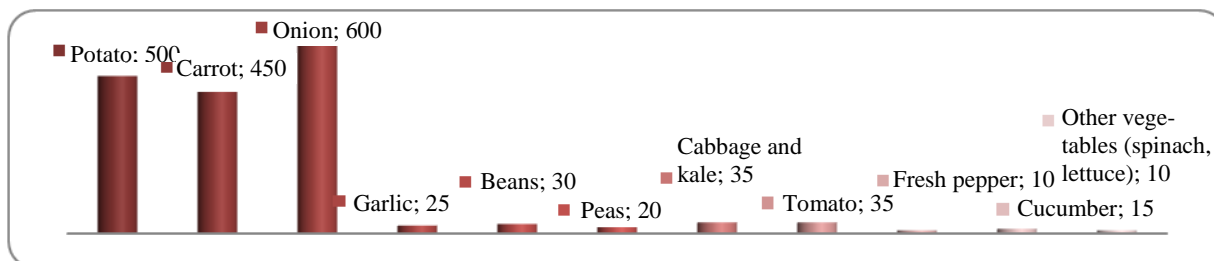
<sup>5</sup>: Source: *Socio-economic indicators of development in 2009 in the BiH municipalities*; Federal institute for development programming ; April 2010.



**Figure 16.** The size of cultivated land in ha for some types of grains sown in 2009 (ha)

The total yield of all grains in 2009. was 61,6% higher than the yield in 2007 with the increase of harvested areas by 54,8%. The average yield of all grains in 2009 was 3,58 t/ha compared to 3,43 t/ha in 2007 and the highest yield was recorded for corn - 4,50 t/ha , while in the same year the yield of corn in ZDC was 5,1t/ha.

Much larger portion of arable land (33,8%) is under vegetable cultures, which proves the proper market orientation of the agricultural producers. Most of the land is under potato, carrot and onion. In the last few years, farmers have shown an incread interest in production under protected spaces (greenhouses). In 2000, there were 100 green houses, but in 2011. this number jumped to 650. The number of installed green houses grows year after year, because the green house prices decreases, and the market for the green house products is always there.



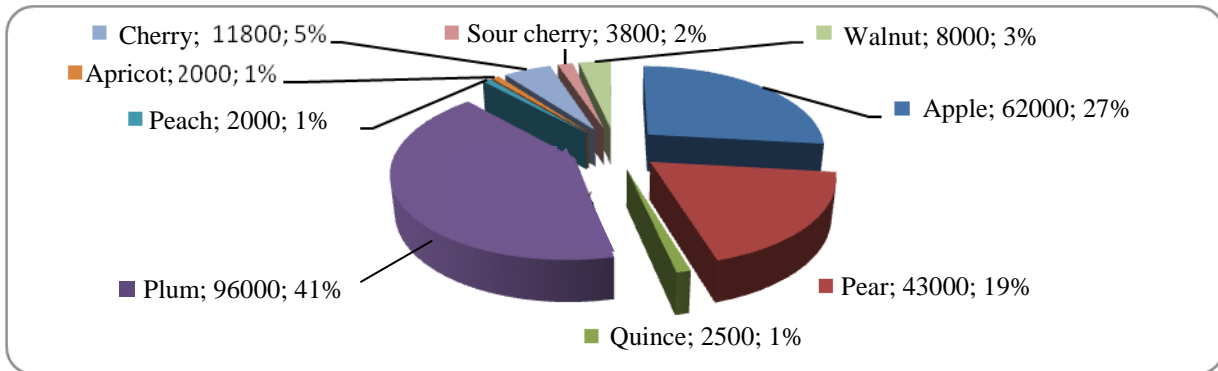
**Figure 17.** The size of areas under specific sorts of vegetable - in hectares (2009)

The yield per hectare of all vegetable cultures is 17,13 tons, almost five times higher (478,5%) than that of the grains. The highest yield was recorded in the production of carrot, cabbage and collard greens - 25 t/ha, followed by cucumber - 21 t/ha and potato and onion - 15 t/ha. A yield per hectare of the most harvested vegetable cultures were higher than the average yield in ZDC.

Along with the vegetable cultures, good conditions and relatively high yield per hectare prevail in growing fodder. However, sowing/harvesting areas are much lower than those realistically possible for this kind of production. In 2009. they were 31,3% lower than those in 2007 – which makes only 3,25 of the total arable lands. The highest total yield and yield per hectare were recorded in production of fodder beet – root (40 t/ha), corns – green mass (20t/ha) and pumpkin (24 t/ha). The yield of these three cultures makes up 83,2% of the total yield of all fodder cultures harvested in 2009, and their yield per ha is much higher than the average yield (14,61 t/ha) for all cultures put together..

### 6.1.2. Orchardring

The area of the Municipality of Zenica is very convenient for growing all sorts of continental fruits, not only those economically profitable but also a number of sorts within specific types of fruit. The production level attained is much lower than the one realistically possible.



**Figure 18.** Percentage of specific sorts of fruits in the total number of fruit-bearing trees in 2009

The number of fruit-bearing trees, other than quince and walnuts, is in increase, compared to 2007 and even 2008. The total yield trends are somewhat different compared to 2008: apples 19,4% lower, pears 8,3% lower, quinces 74% lower and peaches 77,8% lower, while the yield of other fruits went up, even with walnuts whose number of fruit-bearing trees went down. The total yield per tree is from 12 kg of quinces to 25 kg of apples and sweet cherries, and it is higher than the ZDC average yield.

The fruit production is largely extensive and does not meet the current needs, neither in its volume, quality nor in its product structure. There are almost no plantation orchards, despite the suitable conditions for production of all kinds of fruits, particularly having in mind a strong demand for soft fruit and stone fruit consummated either fresh or processed. More and more orchards have been planted by dense planting method in recent years.

### 6.1.3. Livestock breeding

All natural resources of the municipality, particularly the structure of agricultural land dominated by pastures and meadows (62%) indicates a great chance for development of livestock breeding. At the highland areas of the municipality, no viable alternative exists to livestock breeding, and the favorable natural factors are the prerequisite for quality products and natural healthy food. At the same time, the water abundance is a prerequisite of the intensive fish production that needs to meet the demands of modern way of production and growth as a guarantee of a quality marketing of products. However, the number of livestock should be much higher, particularly for cows, sheep and horses, whose number decreased when compared to that in 2007. The organised farmer breeding is almost non-existent, and as a result, the major production is non-existent too. The percentage of Zenica-based breeding cattle in the ZDC production stands at around 10,8% of pigs to 36,8% of goats. A large percentage is noted in breeding of horses (26,4%), sheep (25,1%) and beehives (26,2%).

The volume of animal production is proportional to the number of livestock heads in the Municipality of Zenica, and when compared to the cantonal overall production, it revolves around 19,0% of milk and 33,0% of eggs. A productivity rate, i.e. the quantity produced per head/beehive is very low and changes year after year, as a consequence of the extensive breeding and feeding as well as the structure of the animal breeds.

The veterinary services are well organised and the services are provided by three private veterinary stations and the Cantonal Veterinary Institute, tasked to take care of the animal health, do preventive vaccination of healthy animals and treatment of diseased animals, carry out inspections of hygienic and health safety and the quality properties of the products of animal origin, as well as the improvement of the livestock breeding quality in general.

In mid 2010 the Agro-veterinary centre was put in operation, and its activities will be organized within the Zenica BosnaVet company, with the main purpose to provide support for livestock breeding and agricultural production. This center takes up 1274 m<sup>2</sup> of indoor and 800 m<sup>2</sup> of outdoor space, and is physically connected to the future Agricultural-Veterinary Institute of the ZDC.

#### **6.1.4. The organizational level of the agricultural producers**

A low level of organizational level of farmers stands as a serious obstacle. The most appropriate forms of farmers' organization are cooperatives. In recent year, two cooperatives: PZ Zenica and ZZ NEMILA have been actively operating. The two put together had around 800 members. Both cooperatives has dissolved because they failed to accommodate to prevailing market demands, and are going now through liquidation process. Curently, there are 4 farmer cooperatives organized as family cooperatives. In addition to farmer coopeatives, there are 5 associations of farmers.

It goes without saying that one form of organization of the farmer cooperatives needs to be established and readily supported by the local government to render services to its member farmers.

#### **6.1.5. Organic farming**

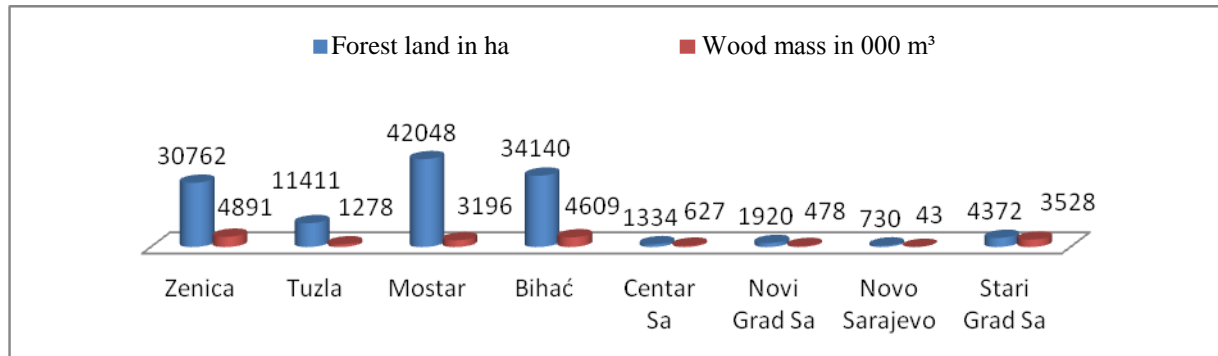
The ever greater number of farmers are interested in production of organic food in Zenica municipality. The honey and honey products farmers like Pčelica Medina Plahovići are issued the organic farming certificate, The eco farmer association EKOZEN gather together all other interested producers and herb pickers.

#### **6.1.6. Registration of farms and homesteads**

In 2000, the feeding of data into the register of farms and homesteads started and that marked the beginning of the agricultural policy reform aimed at fundamental changes compared to former agricultural support systems. This will be done in order to get the quality database and thereby prevent the improvizations in the support system offered to farmers by the local and cantonal governments. The system of data registration and maintenance shall be harmonized throughout BiH and duly compliant with the EU regulations. This will secure proper monitoring, supervision and reporting for the state level authorities. The plan is to enter some 2000 farms and homesteads into the RPG by the end of 2011.

### **6.2. Forestry**

Zenica is very rich in forests that take up 60 % of the municipal territory, but the effects of the forest management are hardly sufficient to significantly affect the Zenica's economy. High forests take up 66,9% of the forest land, low forests take up 27,8% and 5.3% refers to barren forest land. Those are mainly deciduous forests, with the conifers taking up only 0.4%. of the forest land. More than 90% of the forest land is public property.



**Figure 19.** Comparison of forest land and wood mass (2009)

The Zenica's share of forest land and wood mass as related to the BiH Federation is a bit higher than its share in the total size of territory. However, the quantity of wood mass in m<sup>3</sup>/ha is 4,8% lower than the FBiH average, which comes as a consequence of inadequate protection and neglect of the forest land in the Zenica Municipality.

According to the Bulletin of the Federal institute for development programming (April 2010), wood reserves/ wood mass amount to 4.891.000 m<sup>3</sup>, or 159 m<sup>3</sup>/ha.<sup>6</sup> In certain periods of time and at certain places, the cutting intensity largely exceeded the level of tolerance, which resulted in barren land. Besides, during the cutting operations the forests rules were not always complied with which led to destruction of young forest, inadequate exploitation of the mature wood mass, all of which made way to forest fires, diseases, erosion and permanent barren land.

Forests and forest land make it possible for a number of diverse plants providing an extensive range of wood products and secondary forest products to grow and develop, and this enables production, harvesting and gathering activities (forest fruits, mushrooms and herbs, hunting, small game breeding), the products which are mainly found in forests and are economically viable. However, understanding forest as being primarily a natural resource used for wood products feeding up the processing facilities led to a decrease in wood mass reserves per unit of area even below the minimum values, which resulted in lower growth and stability of the forest communities.

### 6.3. Mining – exploitation of brown coal

Brown coal is a stable strategic source of energy with the exploitation reserves of over 120 million tons, at the deposits in Raspotočje, Stara Jama (Old pit), Stranjani and Mošćanica. After the war, the coal production and exploitation suffered from a loss of markets and technical-technological lagging.

Coal mine Zenica RMU production is shown in the Table 2.

Coal mines	1990. (tons)	1996. (tons)	2001. (tons)	2007. (tons)	2008. (tons)	2009. (tons)
Stranjani	135.133		72.353		56650	-
Stara jama	342.977		98.865		138250	-
Mošćanica	260.241		-		-	-
Raspotočje	261.241		181.978		133300	-
<b>Total :</b>	971.977	115.000	353.296	322.000	328.000	307.810

**Table 2.**

<sup>6</sup> Source: Bulletin of the Federal institute for development programming 2009. (April 2010)

In 1991. RMU-Zenica produced 810.000 t of coal with its 3300 employees, compared to the production of 115000 t in 1996 with its 2500 employees. In the next few years a physical volume of production steadily increased as the number of employees decreased, so that in 2008 the production ranged around 328000 tons excavated by 1500 employees. A physical volume increase of those years was accomplished with the simultaneous productivity growth. However, the productivity rate is still lower than the productivity rate in 1991. by 11% (218.6 t per worker in 2008. and 245 tons per worker in 1991. ).

Coal production improvement is generally related to the following issues:

- Modernisation of technological processes by procurement of new equipment and repair of the old one,
- Major investments in eco-friendly technologies and devastated areas recovery,
- Outplacement programs.

#### **6.4. Processing industry**

In the Municipality of Zenica the backbone of its production business includes mining and processing industry, evaluated by real criteria and parameters characterising local community economic structure. Zenica is considered as industrial area, with 120 year long manufacturing tradition. Crucial economic-production parameters, actualized in XXI first decade affirm this conclusion. They used to build large coke production capacities in (ca 700 000 t/year), steel production ( 2,0 t/year ) and products made of steel over 1 million t/year , production of autoindustry steel castings, metalwork structures and other smaller processing lines.

With this processing structure in place, in foreign trade exchange Zenica's export/import ratio is over 91%, which is above the ZDC average (88%) and much above the FBiH average (48%).

Number of employees in processing industry is 25% of the total number of employed people in the Municipality of Zenica and it has significant effect on higher average employment of the Municipality to employment in Canton and BiH Federation.

The Zenica's direct investments in economy of over 650 million KM are made as a result of the reform in processing industry – steel sector. In this sector Acelor Mittal is the largest steel industry corporation, investing directly in reconstruction, revitalization and modernization, re-activation of Steelworks, investments in ecological projects, with an obligation to make investments for the purpose of reaching the planned steel production parameters, number of employees and complying with the European environment standards.

The annual gross domestic product in the Municipality of Zenica is on the constant rise and it reached about 865 millions KM in 2009, or 6801 KM per capita, with relatively high growth rate of over 7%, much higher than the average in the Canton or Federation. In addition to other major contributors, processing industry takes up a major part in it.

Steel industry as a part of processing industry in further perspective will gain development and improvement ,including infrastructure, energetic , personnel, market even globalisation present advantages in Federation as well as in Zenica.



## 6.5. Trade

According to the Institute of statistics, the employment concentration in retail and wholesale trade in the Municipality of Zenica is below the FBiH average, and a location parameter of 0,82 indicates that we are dealing with inadequately developed business activity.

Obviously, in the past 5 years a number of trade companies/legal persons and trade shops have been on the rise, but the level of coverage by the trade network (trade network concentration or density) lags behind other municipalities and the actual needs of the Zenica's population and industry. Opening up of new shopping malls (*Bingo, Konzum, DM, DP, CM*, etc.) led to reduction of the number of small trade shops.

However, one needs to point out that in the immediate vicinity of Zenica there are well-developed shopping malls which attract the clients from Zenica Municipality.

## 6.6. Tourism

The Zenica area is rich in natural wealth and beaties the potential of which could be used for promotion of tourism, raising environment awareness and strives for better and healthier life in general. We need to take advantage of the natural wealth, but also to be cautious enough not to disrupt the laws of natural habitat and to do whatever needed to develop and conserve the environment. In addition to mountain tourism, there are major potentials for waters sports and rafting on the River Bosna.

In summer, the medieval Vranduk fortress is visited by an average of 200 visitors per day. This is an extraordinary tourist site which needs to be developed through a well-conceived support from the local government and ZDC in order to involve the local population in tourism activities ever more actively. One of the possible and very attractive models of running such sites operating in the developed Europe is declaring the fortress and the settlement around an Eco-Museum. To do that, the specific Cantonal laws and regulations need to be adopted. This would open up a possibility to take advantage of the specific funds the EU allocate to support similar projects.

Bistričak, the most renown Zenica's resort lies at the altitude of 430 m, rich in streams, conifer and deciduous forest and well developed sport facilities, barbeque fixtures and resting places. It is 25 km away from Zenica and makes an ideal place in hot summer days for people going there in search of refreshment.

The Pepelari resort are located at the altitude of 770 m, 48 km away from Zenica. It is surrounded with thick pine trees and colorful and calm landscapes. In Pepelari village, there grow male and female larch trees the circumference of which are 390 and 483 cm respectively. These trees used to be protected, but now it is only up to the villagers and hikers to offer real protection and assistance. It is estimated that the female larch is around 3000 years old and it is probably one of the oldest larch trees in the world.

The Smetovi mountain accessible from the city center in a half an hour drive, is certainly a place that many experts pronounced a unique lung healing resort. The Smetovi peak is a bit lower than 1000 meters and according to plans, the tourism and sports center is going to be built there. This makes an ideal place for a whole-day trip.

At the foot of Smetovi mountain, surrounded by Babina rijeka canyon, there is a unique climbing facility both for the beginners and top climbers. Despite their great potentials, these places are not adequately utilized.

In order to preserve these and other resorts for the present and future generations, the projects need to be made to protect and develop them and to raise the people's awareness of the need to preserve the nature. With this goal in mind, the initiative has been launched to declare a Babino Natural Park including Smetovi, Pepelari, Bistrovac; Lastavica and part of Babina Rijeka. The Zenica's accommodation facilities include four hotels, three motels and three guest houses.

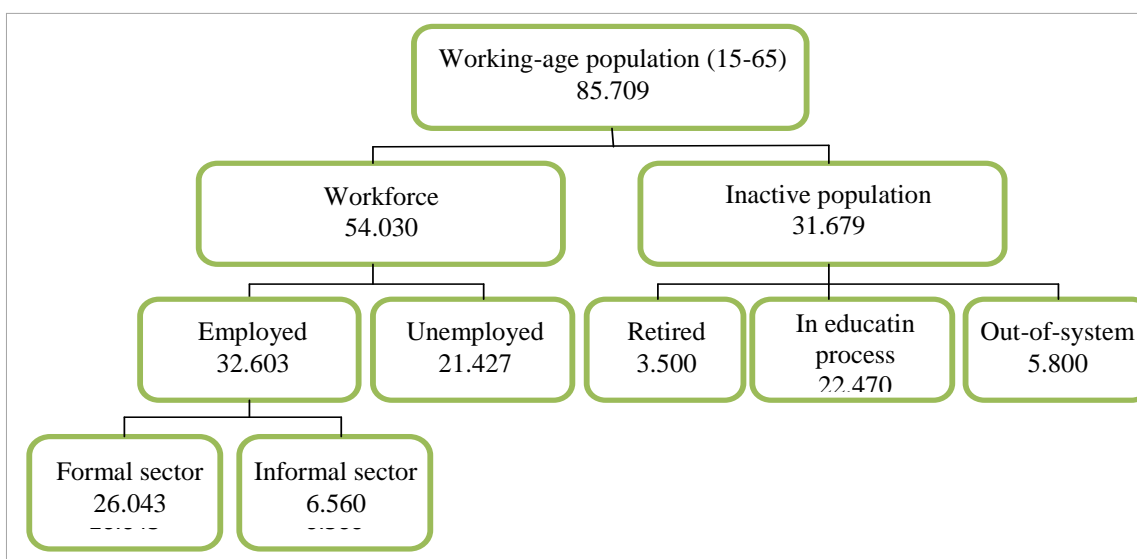
### 6.7. Financial intermediation

Location coefficient of 0,7% indicates a low development of financial intermediation business in the Zenica Municipality. However, it is visible in everyday life that the existing capacities of the financial institutions meet the needs of industry and inhabitants of the Zenica Municipality. The fact is, however, that the costs of the financial services are too high, and does not help economy develop.

As for the financial intermediation sector including the insurance companies, there were 71 registered business entities employing the total of 469 people in 2009. In addition to one domestic bank (Investiciono-komercijalna banka d.d. Zenica) and a number of branch offices/agencies of the most banks operating in Bosnia and Herzegovina, there are also companies dealing with insurance of persons and property, as well as other financial institutions/agencies.

## 7. LABOR MARKET

The number of working-age population in Zenica in 2009 was 85.700, and the share of working-age population in the total population is 67,4%. The percentage of active population is 63%, whereas the percentage of inactive population is 37%. The percentage of economically active population includes the estimated 7,6% of the those employed in informal sector (black market). The percentage of economic activity of 63% is much higher than the average economic activity of the working-age population in FBiH and BiH.



**Figure 20.** Participation of the working-age population in the labor market (2009)

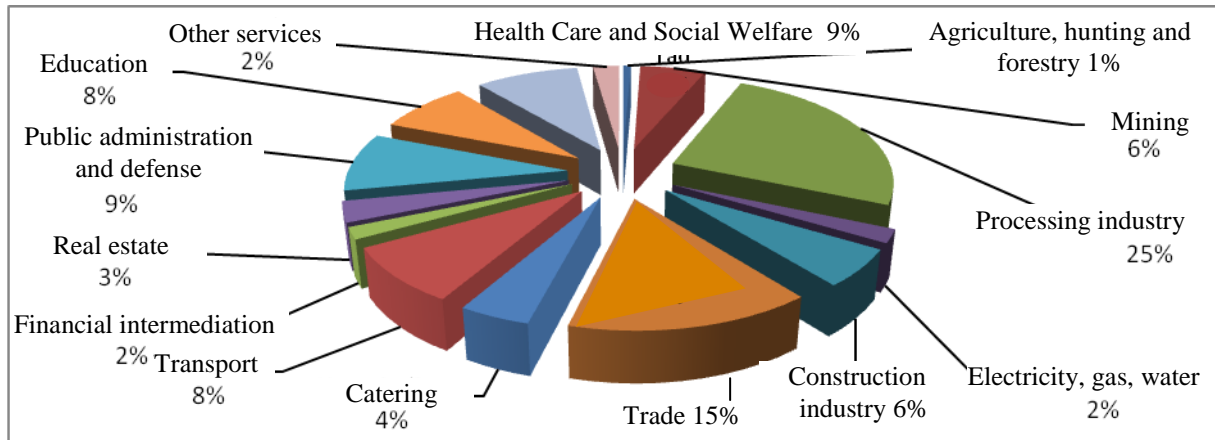
According to the Local development team's estimates, the status is unknown for around 5800 working-age citizens, i.e. they are not covered either by the labor market system or other systems (pension, educational etc.).

### 7.1. Employment

The total number of registered employed people in the Zenica municipality in 2009 was 26.043. In the past 9 years, the greatest total number of registered employed people was recorded in 2004. After that, the number of employed revolves around that figure. The employment rate of the working-age population is higher than the cantonal and federal average. The structure of employment per specific businesses changed in recent years, so that the share of those employed in service sector largely increased.



Out of the total number of employed in 2009, 65,4% are males and 34,6% females, with no significant changes recorded in the past three years.



**Figure 21.** The employment structure according to SKD (2009)

The largest number of the registered employees work in processing industry which makes up 25% of the total employment in the municipality. The next largest number of people are employed in wholesale and retail trade and maintenance with 15% of the total number of employees in Zenica. The public administration and defense, education, health and social care employ 26% of the total number of the registered employed persons in the municipality. When compared to the FBiH Average,

the processing industry in Zenica Municipality employs 6% more people, whereas the share of retail trade in the Zenica Municipality is lower by 3%. The employment share in public administration and defense, education, health and social care is almost identical to the FBiH average.

Sector	Croatia	Slovenia	Serbia	Hungary	F BiH	Municipality of Zenica
<b>Primary</b>	3 %	4.4%	21.9 %	4.6%	2 %	<b>1 %</b>
<b>Secondary</b>	35 %	34.9 %	26.3%	31.2%	32%	<b>39 %</b>
<b>Tertiary</b>	<b>62 %</b>	<b>61.7 %</b>	<b>51.8 %</b>	<b>64,2%</b>	<b>66%</b>	<b>60%</b>

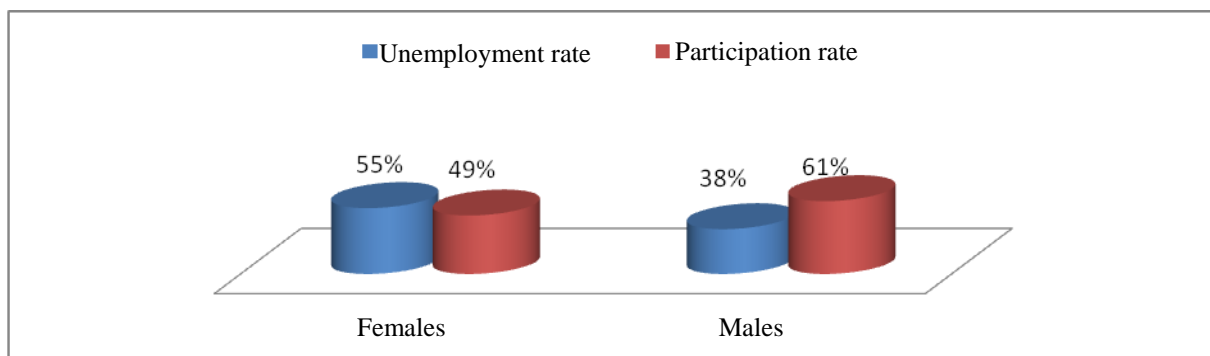
**Tabela 3.** Zaposlenost po sektorima (2009)

**The comparison of the employment structure by main sectors in FBiH indicates the under-developed primary sector and tertiary sector and a developed secondary sector. The employment structure does not largely differ from the employment structure in Croatia, Slovenia or Hungary.**

## 7.2. Unemployment and economic activity

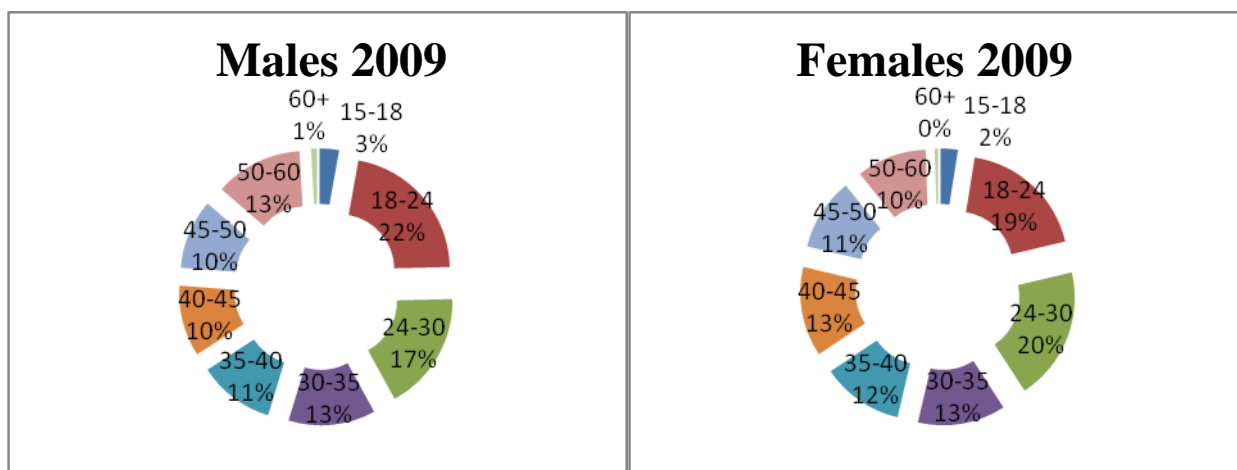
The official statistics of the registered unemployment indicate a high rate of registered unemployment which is a little lower than the average rate of the registered unemployment in ZDC and FBiH.

The rate of participation in the labor market for the working-age population in the Zenica Municipality is higher than the average participation rate in FBiH or ZDC.



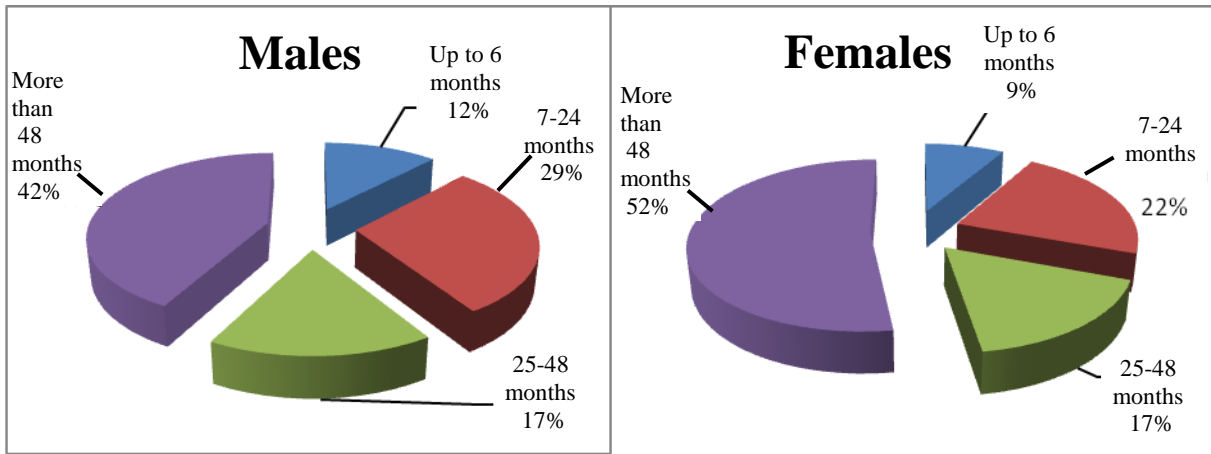
**Figure 22.** Comparison between the unemployment rate and male and female participation rates (2009)

The analysis of the difference between the unemployment rates and labor market participation rates between males and females shows that the female’s unemployment rates is 17% higher than that of the male's, and the labor market participation rate for males is much higher than that of the females. The comparison between the labor participation rate for females in the Zenica municipality and the female participation rates in some EU member countries, certainly necessitates some action to increase the female economic activity.



**Figure 23.** Share of specific age groups in the total registered number of males and females (2009)

As for the officially unemployed males, those between 18 and 24 take up the largest share (22%) in the total unemployment, followed by those between 24 and 30 who take up 17% of the total unemployment. The youth take 42% of the total registered male unemployment. Similarly, with unemployed females most of them are youngsters - 18 - 24 years of age (19%) and 24 - 30 years of age (20%). The total share of the registered unemployed males aged between 18 and 30 is 6% lower than that in 2006. The total share of the registered unemployed females aged between 18 and 30 is 3% lower than that in 2006.

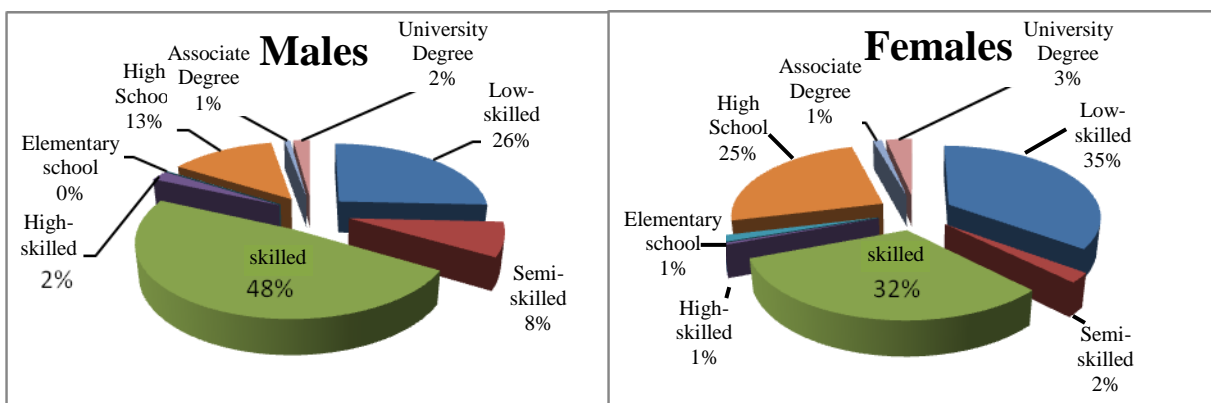


**Figure 24.** Duration of unemployment for males and females in 2009

When it comes to the registered unemployed males, 59% of them are unemployed for more than two years. As much as 42% of the total registered unemployed males are jobless for more than four years. As for the registered unemployed females, a duration of unemployment is even more pronounced so that 69% of the total registered unemployed females are unemployed for more than two years. As much as 52% of the registered unemployed females are unemployed for more than four years.

Most of those unemployed are skilled (KV) workers who made up 39,5% of the total number of the registered unemployed in 2009. Those with a university and associate level of education make up 3.6% of the unemployed persons (humanities prevailing: lawyers, economists, teachers) and high school graduates make 20% of the unemployed.

A more thorough analysis show some specific differences in the educational structure of the registered unemployed males and females. Skilled workers (KV) make up 48% of the total number of registered unemployed males. In addition to skilled workers, the largest group of registered unemployed males includes low-qualified workers (NKV) who make up 26% of the total number of registered unemployed males.



**Figure 25.** Registered unemployed males and females by qualification structure (2009)

Similarly, skilled workers (KV) make up 32% of the total number of registered unemployed females. In addition to qualified workers (KV), most of the registered unemployed females are low-qualified workers. No major changes occurred in the structure of the officially registered unemployment when compared to the qualification structure of the unemployed in 2006.

**Summary**

**When making programs, projects and activities focused on enhancing the labor market dynamics, a special attention should be paid to youngsters, females and the unemployed aged 45 and over. The rate of the registered unemployment for females is much larger than that of the registered unemployment for males. Similarly, the rate of economic activity for females are much lower than the rate of economic activity for males.**

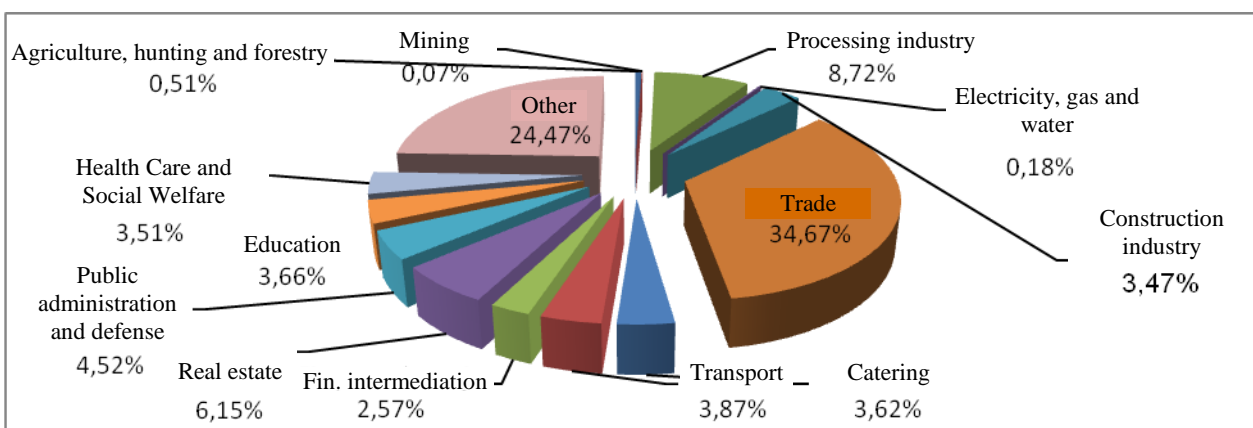
**Those youngsters aged between 15 and 30 are the age group that takes up the largest percentage of the total unemployment.**

*The registered unemployed are dominated by the hard-to-employ groups that include: Out of the total number of registered unemployed, 47,5% of them have been unemployed for more than 4 years; out of the total number of registered unemployed, 30% of them do not have any formal qualifications, and 34% of them are aged 40 and above.*

**8. ENTREPRENEURSHIP**

On December 31, 2009 there were 4.821 registered business companies in the Zenica Municipality - 1600 legal persons, 1162 organizational units and 2095 shops), which makes 38 companies and shops per 1000 inhabitants.

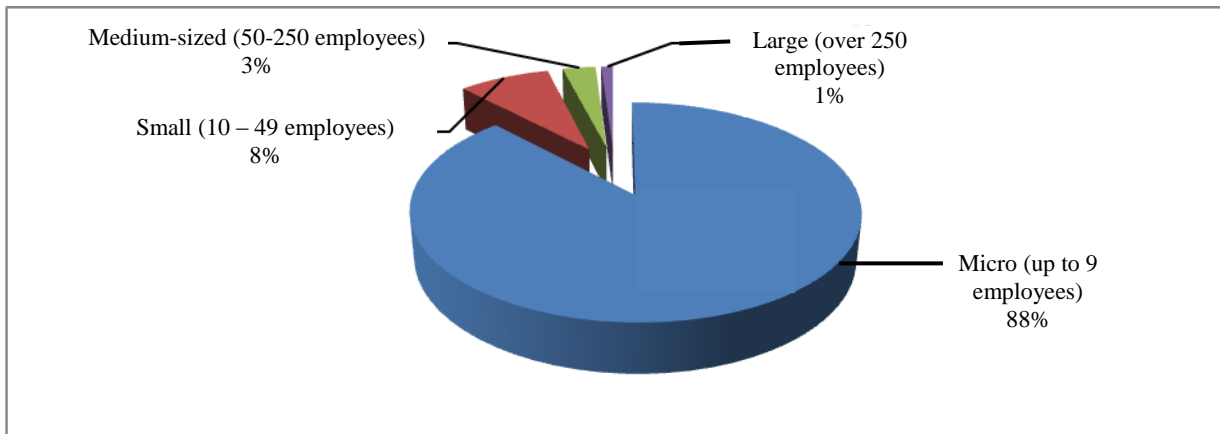
The total number of businesses in 2009 is 3,4% higher than a year before, and 26,7% higher than that in 2005. Service businesses had a somewhat higher growth rate, so that their share in the total number of businesses in 2009 increased by 0,3%. Most of the legal persons are registered in wholesale and retail trade business (34,67%).



**Figure 28.** Share of specific businesses in the total number of registered enterprises (2009)

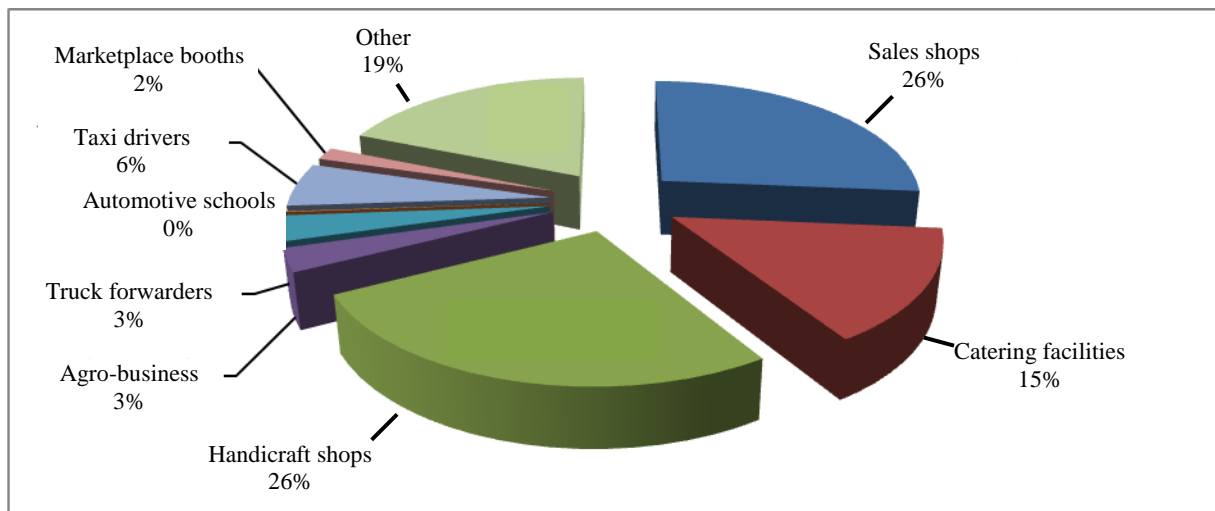
The structure of the businesses and Zenica's economy in general is primarily determined by the processing industry, and within that sector or industry as a whole, a prominent role is played by metal sector (except machinery and equipment) or metal industry. The industrial companies employ 38,5% of the total number of employed in the Zenica Municipality and they mostly include the larger companies (medium-sized and large companies) in terms of their scope of business and employment. Out of 2.763 companies, most of them, or 88%, are micro enterprises employing up to 9 workers. There are 29 large companies (1% of the total

number of registered businesses) which employ more than 250 workers, and 81 medium-sized companies employing between 50 and 250 workers (3% of the total number of registered businesses).



**Figure 27.** The company structure by number of employees (2009)

When it comes to registered shops, trade, catering and handicraft shops dominate which put together take up 67,5% of the total number of all shop owners. The number of those involved in the traditional handicrafts is insignificant.



**Figure 28.** Percentage of specific types of businesses in the total number of shops (2009)

### 8.1. Business infrastructure in Zenici

There are business development and enhancement instruments at play in Zenica: Business Park Zenica 1, Local Economic Development Agency ZEDA, Business Incubator Zenica (BIZ) and TechnoPark. With the aim of creation of an environment as conducive as possible for business development, the local government has allocated funds for reconstruction of the existing infrastructure of the Business Park and building of new infrastructural facilities.

At the regional level, these include Zenica-Doboj Canton Business Center and REZ-RDA Regional Development Agency

A major role in business environment are played by ZEPS trade fairs with the participation of 8.653 companies from 46 countries and 1.186.690 visitors since 1994. In addition to offering businesses a chance

to see new technologies, a number of business contracts were signed and many initiatives launched at these fairs, including a major direct economic benefits too. According to the Global Association of the Exhibition Industry- UFI Paris, for every single monetary unit of the exhibition's profit, the state, region and mostly city get 11 monetary units depending on the skills and level of organization in utilization of development opportunities. In order to take advantage of these opportunities, it is necessary to create spatial capacities for further development of ZEPS trade fairs by building a permanent trade fair site.

### **8.1.1. Business Park Zenica 1**

The Business Park Zenica 1 Project is a major step forward in affirmation of the local government and a pioneer's undertaking in implementation of the local economic development ideas. The strategic goal of the Project is to start a productive employment processes through restructuring of the Zenica's economy which used to rely on the Zenica Steelworks almost entirely.

The path chosen in overcoming the crisis include primarily a creation of spatial and other prerequisites which support active work and productive employment in other/new fields and various organizational forms of businesses.

The first step was made in early 2001 when the local government, based on the funds receivable from the Zenica Steelworks and BH Steel as its genuine incomes, acquired a piece of land sized 336.427m<sup>2</sup> including structures of the former production plants, that were going to be used to foster the development of new businesses.

The acquired space of the plants that stopped their production was used by the local government to develop industrial activities and was designated as Business Park Zenica 1.

For that very compound a Pre-Investment Study with the urbanization layout of the Zone was developed and adopted by the City Council in 2002, with the idea of taking an organized approach to development of this business compound. At the session held in 2005, a renewed urbanization plan was adopted and a Decision made on conditions and models of allocation / ceding of the non-developed construction land, for building and sales of existing structure at the Business Park Zenica 1 compound.

With the Slovenian Company CIMOS d.d. Kopar starting its own company in the Business Park as a strategic partner, the effective Urbanization Plan had to be reviewed so that in 2006, a new Park-related urbanization plan and a plot rearrangement was developed, in full respect of the newly created circumstances.

A number of structures were designated for demolition and removal which has been done since 2006, and as a result of these activities, today we have new plots to rent out.

#### **a) Business Park Infrastructure**

Location-wise, the Park is situated between the ArcelorMittal industrial facilities and the urban area. As a former section of a single functioning working compound, it is well connected to other parts of the industrial sub-parks by roads and railways. Since the former industrial compound was connected with the state railway network, the Industrial Park Zenica 1 is also connected to this major transportation infrastructure.

#### **b) The present condition of the communication routes**

In order to set up a Park in conformity with the planning documents, i.e. to enable all newly-formed plots to have access to transport routes, major interventions were needed in terms of reconstruction of the existing and building of new roads which had been built until 2010. With these roads in place, all present



beneficiaries are enabled a quality road access, and new Park-based plots were created which makes it possible to have new companies starting up their businesses at the compound.

**c) Communal infrastructure**

The communal infrastructure system is partly connected to the infrastructural system of ArcelorMittal, and its current status is as follows:

- The Park has its own water supply system.
- The sewer system is connected to the ArcelorMittal installations.
- In 2008 and 2010, three transformer stations with attaching equipment, 2 MW each, were built, so that all the Park beneficiaries are supplied from these transformer stations except Cimos which, as a large electricity consumer, receives its supply directly from TS Zenica IV.
- The telephone line is fully reconstructed and independent of the ArcelorMittal switchboard, which posed a big problem at the Park's inception phase.
- The number of beneficiaries did not necessitate the building of joint heating system, so this investment plan was abandoned.

**d) Sales of Plots**

Between 2005 and 2010, the local government published a number of announcements for allocation of non-developed construction land and public calls – tenders for sales of existing structures at the Business Park. As a result of these activities, 25 companies with the total of 800 employees operate now in the Park. In addition to these companies who bought the plots of land, also operating in the Park is a Zenica Business Incubator accommodating 27 companies with about 100 employees. In total, there are 55 companies taking up the space of 135 000 m<sup>2</sup> who are currently operating in the Park compound.

**8.1.2. Local Economic Development Agency ZEDA Zenica**

ZEDA is a central development support organization achieving its tasks through a cooperation and support from the local government as its founder. When it comes to project implementation, it contracts a number of associates who, acting in the practical field, offer education and training in developing skills and linking people and institutions, municipal and other authorities, are involved in fund raising, building capacities and working with international organizations, EU and donors, as well as with renown business people and managers.

ZEDA is growing into an indispensable development institution whose main task is to keep pace with the development priorities of the Zenica Municipality, to create partnerships for implementation of development projects, to develop those projects and coordinate their implementation.

The scope of ZEDA's activities includes:

- Economy (economic development),
- Development of human resources,
- Development, promotion and improvement of businesses,
- Management of the business infrastructural facilities (Incubator, Business Park, TechnoPark...)
- Business investment promotion (local and international)

- Food production (agriculture and veterinary medicine),
- Tourism and
- Ecology (sustainable development).

### **8.1.3. BIZ – Business Incubator Zenica**

Business (entrepreneurship) incubator is located at the Business Park Zenica 1 and, as a local development instrument, it helps the beginner entrepreneurs implement their business ideas. In 2005 and 2006, two buildings of the total area of 3100 m<sup>2</sup> were adapted for the purpose of accommodating about 25 small companies. In addition, in early 2009, yet another building – a former Steelworks Technical Inspection (the area of 2000 m<sup>2</sup>) was adapted to accommodate a Modern Technology Center – a special incubator designed for small and medium companies dealing with innovative and new businesses. In addition to the local government, the building adaptation was financed by EU, ZDC Government, The Government of the Republic of Italy, BIH Federal Government and Baar Municipality, Switzerland.

ZEDA Agency was tasked to run the Incubator so it renders the beneficiaries a continued support required for their business operations. Direct benefits from this project are enjoyed by the entrepreneurs with business ideas, as well as community at large, because this is a place where new companies and new jobs are created. As mentioned above, the Business Incubator Zenica includes two components: General and CST.

#### **a) BIZ General**

Business Incubator Zenica is a place for growing new companies that offers all would-be entrepreneurs whose business plans are realistically attainable, a place to start, an administrative business support, consultations and other forms of assistance to enable them develop their company to the extent sufficient for independent market operation over a time span of 3-4 years. With the Business Incubator in place, the optimum conditions were created for implementation of business ideas, so that a business enterprise is supported in its inception phase when most needed.

The target beneficiaries: Start-up beneficiaries – beginners, manufacturing and service businesses, except trade, catering and food production. (In operation: 5 years, BIZ currently accommodate 20 companies).

#### **b) BIZ – Modern Technology Center**

BIZ CST is a home where we try to help young and creative people start up their modern technology-based business activities at the low rents and optimum business conditions. By this kind of support, we are trying to contribute to a development of modern business in Zenica and support creation of new ICT-based (information-computer technologies) companies, as well as the business based on utilization of a great deal of academic expertise.

The target beneficiaries: Start-up beneficiaries - beginners who apply new innovative methods and modern information technologies and work on implementation of the creative ideas with sophisticated products.

(In operation: 2 years, CST currently accommodates 7 companies).

### **8.1.4. TechnoPark Zenica**

The activities aimed at setting up TechnoPark started in 2007 with the respective decision made by the City Council. In May 2008, the Agreement on partnership in implementation of the TechnoPark Project in Zenica was signed between the Municipality of Zenica, ZEDA Agency, University of Zenica, Regional Development Agency REZ-RDA and Zenica-Doboj Canton.





Organization-wise, TechnoPark makes one of the ZEDA Agency's sectors. Once the TPZ operations are established, i.e. with all human resources, material and organizational elements in place, a decision shall be made to restructure it into an independent institution. This is yet another successful municipal project aimed at creating mechanism of economic development in the Zenica Municipality and a major step forward to the higher level of support to small and medium-sized (SME) Sector in Zenica.

Three sectors have been established in TPZ:

- Sector for metal and non-metal materials,
- Sector for energy and sustainable development
- Sector for wood excellence.

## **9. INVESTMENTS**

### **9.1. Building of CCPP**

One of the largest investments in Bosnia and Herzegovina in the post-war period expected to improve the quality of life in Zenica and the region is construction of the KTG Zenica co-generation power plant.

The total investments into this CCPP (Combined Cycle Power Plant) amount to around 400 million EUR. This is a major step toward economic development and will generate electricity for local and international markets. The heat plant will also offer a reliable source of heat for Zenica district heating system. This project will surely create new jobs and assignments for manufacturing and servicing companies, and being natural gas-fired facility, it will help close down the present heating boilers that burn around 700 tons of coal per day, as a major contribution to the pollution reduction. The CCPP will be built in phases with the total installed capacity designed to be reached in mid 2014. This facility will generate 390 MW of electricity and 170 MWth of heat.

### **9.2. Building of the Blue Water Pipelines**

Another major project under implementation in Zenica is a regional water pipeline Blue water from Travnik to Zenica, a system designed to definitely resolve the drinking water supply for Zenica. Five central Bosnian municipality have expressed their interest in the project. The total investment with the included additional costs of reconstruction of all reservoirs and protection of well, is estimated at 32.8 million KM. Zenica participates with 19.3 million KM, and has 58,7% of ownership share.

### **9.3. The city ring road (GGM)**

GGM is a longitudinal urban-suburban road designed to connect the incoming-outcoming street directions. The role of GGM is to provide for fast and smooth traffic and connect the primary and secondary street network with incoming-outgoing roads, primarily with the Motorway V-c (via the current Highway M-17), and other road networks via regional roads R-441, R-445.

GGM is designed for public transportation, load trucks, passenger vehicles and pedestrian traffic, with the characteristics of a city street in the urban area (Blatuša Interchange - Bojin vir), or suburban street on the route section Bojin vir – Perin Han Interchange.

The GGM begins at the intersection of the linking road with the Blatuša Interchange and Kralj Tvrtko I Boulevard, and ends at the access road to M-17 (Perin Han Interchange).

The total GGM length is 7,85 km and it will include four lanes with the median strip, two roundabouts, ten intersections, pedestrian walkways and attaching fixtures.

Urban section is stretching from the Bulevar Kralja Tvrtka I to Bojin vir in total length of 3.25 km Normal profile totally sized 24,25, with two separate 7,0 m wide carriageways, separated by a 4,25 m (min. 1,25 m) wide median strip, and 3,0 m wide pedestrian walkways on both sides made (without a dividing green belts with the carriageway). As for the major facilities along the route, the M1 and M2 bridges would be built as part of GGM, the length of which is 45,00 m (26+19) and 40,00 m (20+20) respectively. In addition to construction works, a new lighting system as well as street lights and related central light-control unit are going to be built.

The first phase of the project includes building of the urban section of the GGM with all attaching fixtures and infrastructure, and also construction, reconstruction and modernization of the servicing and connecting roads as part of the GGM. For the increased traffic flow that comes as a result of the construction of the first GGM section, it is necessary to organize a smooth transit at the following routes:

1. Suburban GGM route: Raspotočje - Lukovo polje – Goraždanska – Crkvice – Metalurg (Lamela) – Urban GGM Section (intersection “Central” Movie Theatre);
2. The end of urban GGM Section: roundabout Bojin vir - roundabout Drveni most - roundabout Crkvice (the connection point for the transversals 1 and 2);
3. Connecting road: Fakultetska – Zukići – Pišće – High School of Economic to provide thereby a transversal connection of GGM with the downtown, i.e. Bulevar kralja Tvrtka I;
4. Connecting road Aska Borića to enable connection of the railway station and bus station with the GGM.

In order to put these connections in place, apart from building and installation works, the following structures are to be built on the GGM route in addition to M1 and M2 bridges:

1. Building a 20,0 m long bridge over River Kočeva as part of the road section Fakultetska - Zukići - Pišće - High School of Economy;
2. Building of a roundabout Drveni most;
3. Building of a roundabout Crkvice;
4. Building of a roundabout Metalurg (Lamela);
5. Building of a 87,50 m long bridge over River Bosna as part of the connecting road Raspotočje - Goraždanska;
6. The replacement of the overhead road construction (L= 16,00 m) between the roundabouts Drveni most and Crkvice.

As part of the GGM project, a reconstruction, building or partial displacement of the communal infrastructure from the road body shall be carried out, along with planting green belts all along the GGM route based on the Horticultural Project Design.

The second phase of the project includes construction of the 4,60 km long suburban GGM section in normal profile – 11,5 m and a 210,00 m long bridge across the River Bosna (as connection to the highway M-17 and Corridor V-c).



The goals of the project include:

1. Safe and smooth traffic in urban and suburban neighborhoods
2. Transportation links to the Motorway – Corridor V-c and highway M-17
3. Enhanced traffic rate
4. Reducing traffic congestions
5. Reducing emission of harmful gases
6. Connection of primary, secondary road system to incoming-outgoing routes
7. Employment of construction companies
8. Extension of primary network of communal installations.

## **10. SOCIAL INFRASTRUCTURE**

### **10.1. Education**

The city of Zenica is a regional educational center with a developed network of pre-school, primary, secondary, university undergraduate and graduate education.

All prerequisites have been created in Zenica to accommodate preschool children as regards to availability of space and staff. Public institute for preschool education runs 10 facilities. Recently it has operated 6 facilities with 300-400 children covered by this type of education. Some day nurseries are partly rehabilitated thereby creating better conditions for preschool education process. The remaining facilities need to be adapted and upgraded to improve the quality of this type of education. In accordance with the law, there are also private day nurseries functioning.

In the Zenica Municipality there are 18 public elementary schools. In addition, there are also private primary schools (International primary school, Ballet school and others). In school year 2009/2010 there were 13.082 pupils, in 2010/2011 school year 12.339, and in 2011/2012 school year 11.284 of them. Obviously, the number of pupils tend to go down in primary schools.

As to 11 high schools in Zenica, some 5,000 students are educated by around 400 teachers in almost all courses of education and professional training. In recent years the work conditions have been improved in high schools, the classrooms and sports hall have been adapted, the new IT equipment obtained, and all school have vocational training organized. In the forthcoming period, it is necessary to equip the halls, libraries, purchase PC and other equipment. The schools are going to make plans on how to provide a physical access for the students with disabilities.

In recent years, Zenica acquired a status of university city and established a University with its 8 faculties (Faculty of Mechanical Engineering, Faculty of Metallurgy and Materials, Islamic Teachers Academy, Faculty of Economics, Faculty of Law, Health College, Teachers' College and Polytechnical College) with 24 study courses. These study programs are attended by over 5.000 students. The University also include: Institute of Metallurgy Kemal Kapetanović, University Library - with all library items available in a single compound, and Center for Innovation and Entrepreneurship. In academic year 2011/2012, the University plans to admit 1,200 students enrolled in the first year of studies. In October 2011, the total of 640 graduated students were promoted, 50 master degree holders and 13 doctoral degree graduates. This fact proves that Zenica is a good place to study. The capacities of the Zenica Dormitory are fully utilized which means that large number of students from other towns comes to study in Zenica.

By the end of 2012, the new building of the Faculty of Economics and Faculty of Law is about to be built which will further improve the quality of education and create possibilities to start up new study groups. In academic year 2011/2012 a first generation of students enrolled in the Polytechnical College. It will consist of four study groups with four graduate diplomas. This will increase a share of students of technical faculties and the production of future engineers who are in short supply nowadays.

Close collaboration between high education institutions and businesses shall be established in the years to come in order to meet the needs of businesses and help employment of the graduated students.

## 10.2. Culture

The main cultural institutions the importance of which go well beyond the local boundaries include: Bosnian National Theatre, Zenica City Museum, Public Library, University Library and Chamber Symphonic Orchestra. The BNP, Museum and Library as institutions founded by the Municipality of Zenica employ 103 people. To cover the needs of those institutions, over 2,3 million KM is allocated from the Cantonal and Municipal budgets. The local government covers the heating costs and help production of new plays, exhibitions and programs, as well as the purchase of books. Bosnian National theatre, Museum and University Library do have a sufficient space to operate, the situation not enjoyed by the Public Library.

There are 3 ethnic-based cultural societies in Zenica: Preporod, Napredak and Prosveta, as well as 13 cultural-traditional associations the most famous of which are KUD Željezara Zenica, KD Bosnia Folk and KUD Ibrahim Perviz. There is an ever increasing trend of establishing new cultural-traditional associations in suburban neighborhoods and villages. Those are the places in which the cultural activities are staged in an organized way with young people engaged, and they are often the only places for organized entertainment in rural areas.

A large contribution to the cultural life is certainly provided by the Primary and Secondary Music School, both in education and programs.

Non-governmental organizations that make a great contribution to cultural life include: Youth Choir, Association of Music Teachers, Association of Children Note, Association for Promotion of Dancing Shadows and Latino, youth clubs in Donja Gračanica, Gorica, Tetovo, Nemila, music, drama and art groups as well as other forms of organized leisure activities within a large number of other NGOs.

Zenica is also a festival city. The main festivals include: BiH Drama Festival, International Cultural Festival Zenica Spring, Children Festival When Music Plays, Children and Youth Film Festival, Spiritual Music Festival, Sevdah Festival, Street Festival, Folk Festival etc.

Having in mind day-to-day activities, festivals and specific programs staged by visiting cultural ensembles, one could come to a conclusion that the citizens of Zenica have a chance to quench their thirst for cultural events whatever their interest might be. In a large number of cases, apart from the cultural institutions, there are also non-governmental organizations as event organizers.

In recent years, particularly since 2004, the Municipality of Zenica has allocated considerable funds aimed at reconstruction and building of culture and sports infrastructure. In this period of time, a brand new Museum building was built, a synagogue reconstructed, Vranduk fortress and Bosnian House rehabilitated, the Preporod building renovated and some other cultural facilities improved, including some religious temples. Around 3 million convertible marks was invested in these activities.

When describing a cultural life in Zenica, in addition to the above-mentioned facts one needs to mention a Multiplex Cinema Ekran that certainly offers a good chance for citizens to quench their thirst for this kind of entertainment. Zenica is also a city where a number of magazines are published: *Zeničke sveske*, *Krijesnica*, *Didaktički putokazi*, published by Bosnian National Theatre, Library, Institute of Pedagogy, Maticy hrvatska



and publishing house Vrijeme. Added to these are also some specialized professional magazines (medicine, science etc.).

Zenica is also a venue for public broadcast services: Local radio-television station – RTV Zenica and News and Technical Center of the RTFBHT and RTFFBiH. In addition, the programs are broadcast by commercial radio stations including: *BM radio*, *Radio Zenit* and *Q radio*. Also, there is a weekly published here - *Naša riječ* (Our Word) as well as a bi-weekly - *Superinfo* distributed free of charge. There is also a cable TV operating in Zenica. In the years to come the activities should be continued to rehabilitate and adapt the infrastructural facilities, primarily the Bosnian National Theatre and some national monuments and resolve the organizational issues of the Public Library and City gallery.

### 10.3. Sport

Zenica Municipality is increasingly becoming a city of sports.

The reconstruction of the football stadium “Bilino polje” has been done in stages. Thanks to those investments, the stadium meets the criteria required for organization of international matches. The national football team, vigorously supported by the BiH fans, achieves very good sports results here. Thanks to the matches of the national team, this stadium is becoming a true ambassador of the Municipality of Zenica. Despite the previous reconstructions, the strict international standards necessitate further investments into this stadium to create optimal conditions for international football matches.

Also finalized is a reconstruction of the Track and Field Stadium Kamberovića polje that is, with a newly extended track, additional indoor track, modern dressing rooms, newly built stands and fixtures, considered to be one of the most elegant stadiums in the region. The stadium meets the requirements for IAF competitions, and it already hosted the events like Balkans Track and Field Championship 2007 and the European Cup 2008. Also, it was a venue for a number of track and field meetings.

In spring 2009, the City Arena was opened. This facility also meets all the requirements for organization of various sporting, cultural and other events. This is the most important sports investments in Bosnia and Herzegovina. The Arena was built with the local money and it cost 37.500.000 KM. The construction works were carried out in 2,5 years thereby making the dreams of many generations of Zenicans true. Arena's capacity is 6.100 seats, but at concert events it could accommodate as much as 11.000 visitors. In this way the perfect conditions have been created for all indoor sports in Zenica, particularly basketball and handball. Also, Arena offers a great opportunity for recreational sports for all citizens and their associations. A modern fitness center operates in the City Arena, which, aside from the training activities, offers a relaxation treatment (massage, sauna).

In the Municipality of Zenica there are good potentials for developing of winter sports and extreme sports at Smetovi Mountain (Scorpio Club) which already hosts some sports competitions and altitude training. A quality investment program needs to be put in place for Smetovi to become a quality sports and recreational center.

In 2011, the construction started of the new football compound of the BiH Football Federation at the Crkvice hill, as a joint project of UEFA, FIFA, FF and the Municipality. This will largely improve and further enrich the sports infrastructure in the city.

All the above mentioned facilities, along with the outdoor swimming pools, an indoor pool, outdoor artificial grass pitches, tennis courts and training pitches at Kamberovića polje, shooting arena, a renowned handball court Papirna and bowling alley make a quality infrastructural base for development of sports and sport tourism. The reconstruction of the existing swimming pools would complete the sports infrastructure already in place.

Actually, the Track and Field Stadium, Arena, a football compound NSBiH and a hotel, all being at such a close range, will certainly help the process of branding Zenica as a city of sport.

Sporting activities are organized through 10 sports associations and 74 sport clubs gathering together some 4.800 registered athletes. The school-based sport needs to be developed in the future. Also ever larger number of sport teachers and experts need to be there to motivate children to engage in sports. The gifted children who demonstrate a desire for additional activities shall find their place in the existing clubs. The efforts should be also focused children who need a great deal of physical activity for their normal development. The positive health impacts of sports are multiple and for that reason the local government needs to create better conditions for sporting activities not only for the active athletes and children, but other citizens as well. With the purpose of improving a recreational sport, new facilities need to be built to meet the massive physical culture requirements like cycling paths and trim trails. The reconstruction of the existing sporting facilities and building of the new ones, particularly in the suburbs, will enable inhabitants, particularly the younger ones, to engage in sports recreation more often.

#### **10.4. Health care and social welfare**

The following institutions are involved in rendering health care services to the population of the Municipality of Zenica: Health Center, Cantonal Hospital, ZDC Institute for Labor Medicine, ZDC Institute for Fighting Addictions, ZDC Institute for Public Health and Zdravlje Pharmacies. In addition to these public institutions, a number of private institutions are involved in provision of health care services.

The health insurance covered 111.697 people in 2009, which made 87,9% of the total population that year,

Health Center renders health care services in the following fields: general medicine, labor medicine, women's health care, hygiene and epidemiology, lung diseases and TBC with RTG diagnostics, home treatment and care, laboratory diagnostics, dental care and 24/7 emergency medicine.

Cantonal Hospital Zenica, with its secondary and segments of tertiary hospital-based health care and diagnostics, performs the full-fledged consultation-specialized health care in the Cantonal territory. To cover the needs of Zenica's citizens, the premises at the Stationary Center's Extension are reconstructed to make the work of consultation-specialized outpatient unit easier. Between 2007 and 2011 the infrastructure of the Cantonal Hospital Zenica was greatly improved. A large amount of money was allocated for provision of new equipment to improve the working conditions and thereby the services rendered at the hospital. It included the reconstruction of the Department of Psychiatry, Department for Internal diseases, Oncology and Gynecology, the magnetic resonance equipment facility and Department for RTG diagnostics. Also, the Radio Therapy Building and Department of Pathology were built anew.

The forthcoming plans are focused on the construction of thermal power block.

Cantonal Institute for Public Health Zenica is one of the leading public health institutions in BiH and was granted the ISO 9001:2008 certificate as a first health institution in BiH to receive it.

Zenica has always had a well-developed sense of social welfare and the need to help the vulnerable segments of population. In 2008, 6 apartments were built and 4 houses reconstructed for Roma population. In 2011, 28 apartments were built for Roma population. Also, a former refugee camp was adapted and rearranged for social welfare housing for around 70 families of the aforesaid category of population. In addition to its day-to-day commitments, the local government is actively involved in improving of housing quality, resolving the individual social issues and financing the soup kitchens for the most vulnerable inhabitants.



Also functioning are the institutions like PI Dom Porodica for children deprived of parental care, PI Senior Home, and the local government helps specific projects of the non-governmental organizations (Safe home – Medica) and treatment of elderly people (Ruhama).

By way of Social Work Center, the beneficiaries are offered 27.012 types of social welfare assistance. The total number of those who exercised these rights was between 30.000 and 35.000 in 2005. The number of beneficiaries of the children's care is five times higher as a result of the introduction of the child allowance. When it comes to vulnerable groups, the number of children deprived of parental care who are accommodated by host families does not change too much. At the same time, a number children and adults admitted to the social welfare institutions is getting higher year after year. The social protection for elderly people is provided by the PI Senior Home.

It is necessary to make efforts to curb poverty through various employment programs which could help reduce the number of unemployed and thereby the number of social care beneficiaries.

### **10.5. Population Security**

The total number of criminal acts dropped by 11,2% compared to 2005, and by 26,9% compared to 2007. At the same time, thanks to some targeted activities and projects (crime hunters, the incognito crime reporting), the number of the reported perpetrators is also increased.

As for the types of criminal acts committed, still dominating are the crimes against property (60,9%), and in addition to businesses, other state assets and values are targeted. The common feature of these crimes is that they could be committed only by specific persons (those who have decision powers within the legal entities). The criminal acts against human rights and freedoms are on the mild rise.

### **10.6. Civil Society**

There are 603 non-governmental organizations registered in the Municipality of Zenica and they are engaged in various kinds of activities. This number includes the organizations of culture, sports, social care, environment, youth and various professional associations and societies focused at the specific collective interests of those groups. All organizations are registered in conformity with the Law on Associations and Foundations. Most of them are not self-sustainable. Many non-governmental organizations were born with the support of foreign donors. There has been a visible connection between donors and non-governmental organizations over a prolonged period of time. A certain number of non-governmental organizations managed to think up its role in the local community and acting on that basis, secure funding from both local and other sources of financing. Acting in this fashion, those organizations proved to be reliable partners to the local government in tackling the pressing issues of the local communities, on one hand, and enabling the engagement of volunteer and creation of new jobs, on the other.

This collaborations is defined by the Agreement between the Municipality of Zenica and non-governmental organizations and the Agreement on partnership between local community and non-governmental sector. With this regard, the local government allocates major assets from the municipal budget which, through public calls, are given out to NGOs for implementation of their activities. The short supply of quality personnel at the non-governmental organizations who are supposed to develop in such a way to be capable of resolving the local community issues, poses a serious problem. They have to develop along the project-program principles and responsible spending of the allocated public funds.

### **10.7. Youth and other sectoral policies**

Investments in education, culture and sports infrastructure as well as the development of civil society enable development of specific youth organizations that are increasingly involved in defining their needs to actively involve young people in decision making processes. To participate in progressive efforts could be achieved through youth and other specific sectoral policies.

#### **Summary**

*The city of Zenica is a regional educational center with a developed network of pre-school, primary, secondary, university undergraduate and graduate education. A continued harmonization of the labor market demands and the educational system is going to be of crucial importance for the city development. This includes the introduction of a lifelong learning system, modernization of educational programs and methods and a continued training of teaching staff. University of Zenica is expanding and as such it will soon generate the experts who are now in short supply and who will be needed in the future.*

*Zenica has a very well developed sports infrastructure that opens up an opportunity to develop sports tourism. In recent years a number of international sports events were organized in Zenica, the most importantly the national football team matches as the most spectacular and most popular sports events. Zenica's athletes and sports activists continue to make great achievements both in local and international competitions. The similar trend could be expected in future both for individual and collective sports.*

*The cultural life is also developed and it offers a great number of diverse cultural events. The major institutions do overcome local boundaries and various cultural festivals attract the artists and audience from the entire region.*

*Zenica will continue to work on enriching its sports and cultural manifestations that will further contribute to a creation of the positive image of the city which has always been seen as a purely industrial city.*

*In recent years some great developments were seen in the Zenica's health care system too. This primarily refers to the reconstruction of the existing infrastructure and erection of new buildings of the Zenica Cantonal Hospital. All forms of health care are well developed (primary, secondary and tertiary). When it comes to social welfare, a number of children and adults admitted to the social welfare institutions increase year after year, which indicates either the greater trust in institutional protection or the lack of support from the out-of-institution forms of welfare.*

*The security situation can be considered satisfying, particularly when it comes to the activities of the police and other security services. However, one should focus on those conditions that pose security risks and jeopardize the citizens' security. The unemployment of the people in Zenica, like in other communities, poses a greatest economic and social problem which is a major cause of many insecurities like juvenile delinquency, crimes, addictions etc.*

*The non-governmental sector in the municipality has its potentials but the initiatives need to be launched to reinforce it and involve it in the development processes.*





## 11. TECHNICAL AND COMMUNAL INFRASTRUCTURE AND SERVICES

### 11.1. The situation with spatial-planning documentation

The Municipality of Zenica, a capital and administrative seat of Zenica-Doboj Canton, is situated in the central part of Bosnia and Herzegovine in the River Bosna valley with the highway M-17 and railway road cutting accross. A favorable geo-communication position and a natural diversity provided suitable conditions for establishing human settlements from ancient times.

A development of mining and black metallurgy has had a direct impact on development of Zenica as industrial city. Nowadays, the city has gone through a transformation and is the largest economic, cultural, sports and university center with lots of trade, catering and other facilities which make it stand out as a regional center.

Zenica features prominently in a Spatial Plan of the Zenica-Doboj Canton 2009-2029. This document defines the main Cantonal development goals specified down in other planning documents: Spatial Plan (the municipal territory), Urbanization Plan (urban area) and the implementation plans for urban areas. In recent years, the urban area has been covered by the Urbanization Plan whereas the parts of the city were defined through regulation plans that cover most of the central part of the city.

Based on the Spatial Plan of the Zenica-Doboj Canton 2009-2029, the conditions were created for adoption (revision) of the spatial-planning documentation to be detailed once the Corridor V-c route and a mining zone boundary are finally specified.

The main line of the city development goes along the River Bosna by the highway and railway road (longitudinal development) the sideway routes of which go up the slopes and valleys of the water courses - the River Bosna confluents. The development space includes four zones, with the fifth one (in the area of Putovičko polje, Janjići and Drivuša) designated for development of individual construction and industrial zones, and the spaces suitable for collective building are treated as reserves. The total area of the urban core, without zone five, is 3 665 ha which is twice as much as the then urban area. A wider urban area covers all five zones stretching along the local neighborhood boundaries and amounts to 9.000 ha.

In the years to come, the locations for construction of new industrial parks or economic compounds should be defined. An area of 15 ha is designated for a new city cemetery at the location of Prašnice. The urbanization plan includes dislocation of the Correctional Facility to the suburban area.

### 11.2. Transportation infrastructure

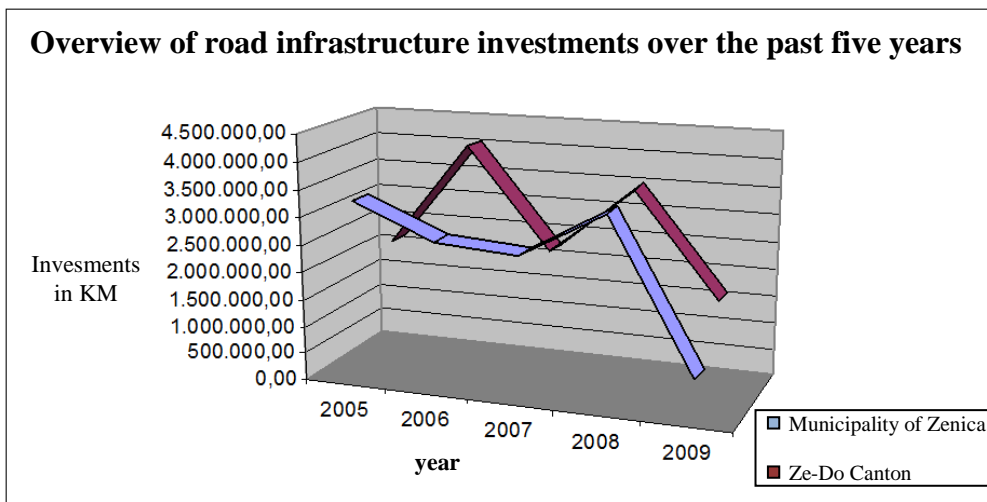
The investments into the transportation infrastructure over the past five years are given in the following table:

<b>Year Capital investments</b>	<b>2005.</b>	<b>2006.</b>	<b>2007.</b>	<b>2008.</b>	<b>2009.</b>
<b>Municipality of Zenica</b>	3.265.658,62	2.657.162,22	2.554.730,05	3.409.053,84	670.000,00
<b>ZDC</b>	2.170.605,31	4.079.319,31	2.251.357,00	3.495.536,50	1.617.830,00
<b>TOTAL KM:</b>	5.436.263,93	6.736.481,53	4.806.087,05	6.904.590,34	2.287.830,00

**Table 4.** Road network: financial investments in KM

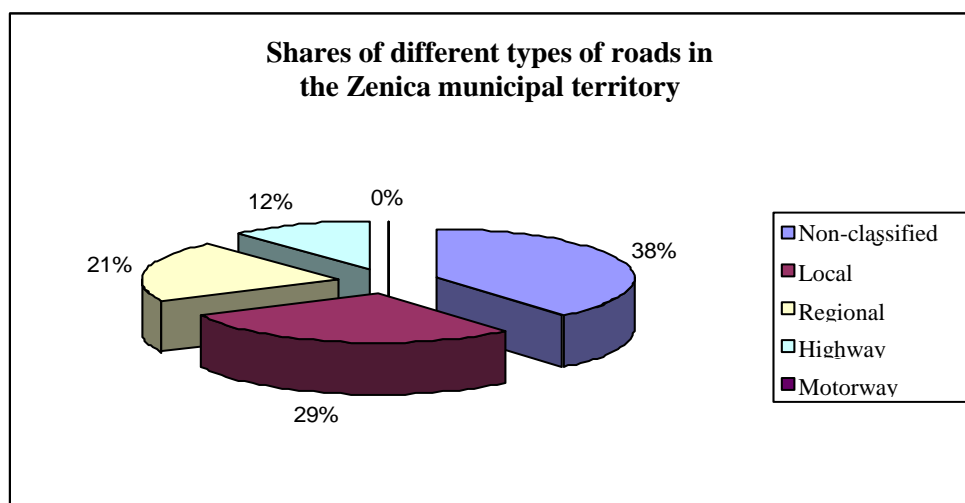
The city of Zenica has a conducive structure and density of the road network that consists of the ortogonal and radial network. The communications over the River Bosna are organized across four bridges.

The total length of the road network in the Zenica Municipality is 362,6 km, out of which 11,7% of highway, 20,5% of regional, 38,9% of local and 28,9% of non-classified roads. A density of categorized road network (highway, regional and local roads) is 26,7 km/100 km<sup>2</sup>.



Description:	Length in km	%
Non-classified	140,90	38,86
Local	104,71	28,88
Regional	74,50	20,55
Highways	42,50	11,72
Motorway	0,00	0,00
<b>Total</b>	<b>362,61</b>	<b>100,00</b>

Table 5. Road network in the Zenica Municipality

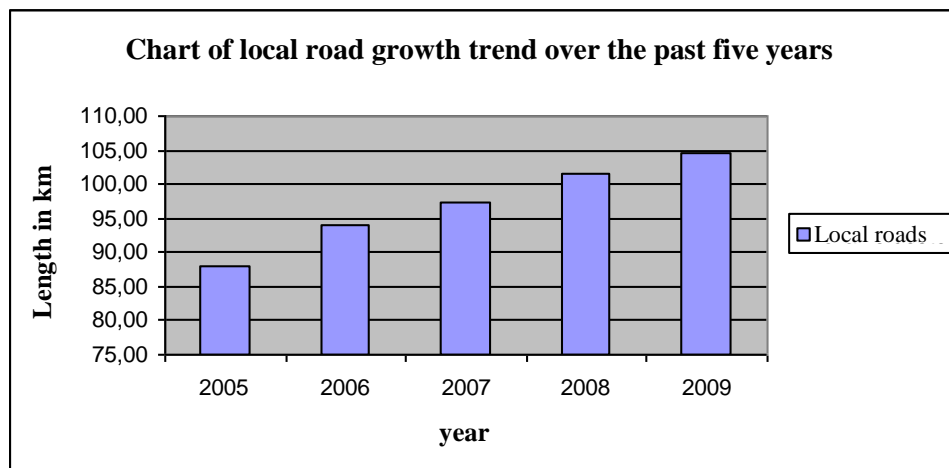




The total length of asphalt roads and pavements are 392,86 km and 52,9 km respectively. The asphalt roads connects the city of Zenica with the centers of 65 municipal neighborhood communities, with only six of those neighborhoods not connected in such a way.

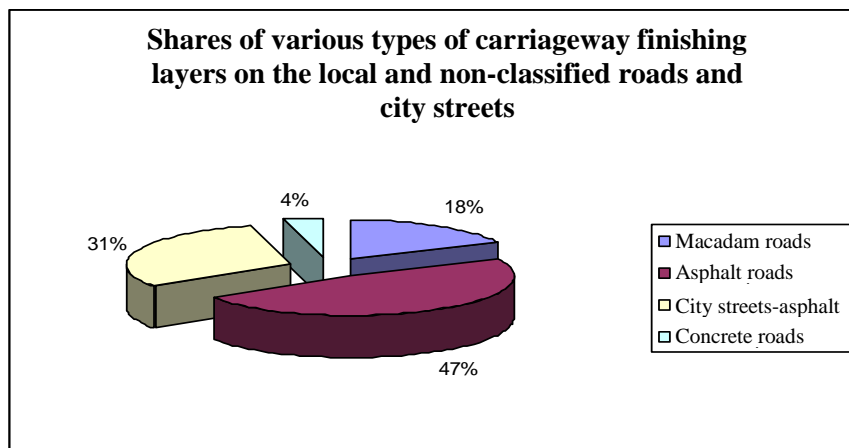
Year Description:	2005	2006	2007	2008	2009
<b>Non-classified</b>	123,99	129,85	132,25	136,80	140,99
<b>Local</b>	87,86	94,00	97,25	101,41	104,71
<b>Total length (km)</b>	211,85	223,85	229,50	238,21	245,70

**Table 6.** Road network under Municipal control



2009. year		%
Description:	Total length in km	
Macadam roads	64,33	18,18
asphalt roads	167,70	47,39
city roads - asphalt	108,16	30,57
concrete roads	13,65	3,86
<b>TOTAL (km):</b>	<b>353,84</b>	<b>100,00</b>

**Table 7.** Road network under Municipal control An overview of the surface layer of the carriageway



The city of Zenica has a conducive structure and density of the road network that consists of the orthogonal and radial network. The communications over the River Bosna are organized across four bridges. To tackle the increased traffic intensity, in mid 2007 the local government developed a Study of the Traffic Network System of the City of Zenica with the analysis and the assumed traffic levels by the year 2027.

The Study was developed by the Faculty of Civil Engineering in Sarajevo – Institute for Road Infrastructure. The multi-disciplinary approach was used when making the Strategy, i.e. it included the research of the existing road network, demographic data, surveys, traffic counts, traffic simulations etc. which resulted in specific conclusions for improvement of the traffic conditions in the Zenica Municipality.

The planned investments into the network between 2007 and 2027 makes the core of the strategic development of the road infrastructure for the next 20 years.

Taking into account the construction works at Corridor V-c and overlapping of the strategic planning timeline with the works at the Corridor route through Zenica, one of the main strategic goals is the connection of incoming-outgoing directions with the M-17 highway and Corridor V-c. The best way to achieve this task along with tackling the traffic congestion in the urban core, is the construction of the City Ring Road in Zenica, including the interventions at the city network.

In addition to these activities, based on the data available on the road network of the Zenica Municipality, some other strategic goals came to play, including a non-moving traffic which is directly related to the current traffic.

With the final specification of the Corridor V-c route the conditions are created for quality planning, i.e. development of road network by displacing a transit route traffic from urban area and turning the present highway into the city road. The connection of the city network with the Motorway will be achieved at Drivuša and Donja Gračanica, which could be seen as a proper solution in terms of access to and exit from the Motorway.

The Vijenac Tunnel, the building works of which are under way, is about to shorten the distance between Sarajevo and Zenica by around five kilometers. The construction deadline for this section is 36 months. At the same time, the activities are under way to build a Zenica transit route.

The total length of the road network in the Zenica Municipality is 362,6 km, out of which 11,7% of highway, 20,5% of regional, 38,9% of local and 28,9% of non-classified roads. A density of categorized road network (highway, regional and local roads) is 26,7 km/100 km<sup>2</sup>. Zenica’s regional connection goes highway and railway road. The regional road connects it to the Lašva valley.

The total length of asphalt roads and pavements are 392,86 km and 52,9 km respectively. The asphalt roads connect the city of Zenica with the centers of 65 municipal neighborhood communities, with only six of



those neighborhoods not connected in such a way. It needs to be mentioned that the Smetovi road should be reconstructed as a matter of urgency.

The local government is discussing with the FBiH Railways Company an issue of construction of the new railway station including the underway passage to Blatuša and possible development of the railway station square.

### **11.3. Technical infrastructure**

The length of the municipal electricity grid in 2009 was 1.470 km, which is 7,4% longer than that in 2005.

In November 2011, the construction was started of the combined-cycle gas-fired co-generation plant (KTG Zenica) with the capacity of 390 MW of electrical and 170 MW of thermal power. Expected soon is the publishing of the tender for Hydro Power Plant HE Vranduk, and the activities were started to build HE Janjići and micro HEs (Čajdraš, Babina Rijeka and Bistričak).

Between 2005 and 2009, the total number of the electricity consumers increased by 4,1%, i.e. from 41.903 in 2005 to 43.636 in 2009 (1.703 new consumers).

In a large number of developed countries, they think that previous, uncontrolled approach to the power generation is not sustainable. The priority should be given to the sustainable power consumption through rationally planned consumption and implementation of the energy efficiency measures in all segments of energy system.

There is a clear need to make spatial development documents in such a way to include the integrated transportation and development of road, railway, pipeline and air transport, as well as cargo terminals. This will designate the areas or traffic corridors for each of these types of transportation taking into account the environment protection factors.

#### **11.3.1. Water and sewage system**

Zenica has a 200 km long water supply network. In recent years the city water supply network was extended to the neighborhoods of Janjići, Mala i Velika broda and Čajdraš. The preparations are under way to extend the city water supply network to elevated zones of the neighborhoods of Zmajevac, Raspotočje and Podbrežje. The rehabilitation works at the urban water distribution network largely contributed to the reduction of leakages, particularly in the past three years.

Zenica has a 120 km long sewage system. Connected to the system in 2009 were 22.460 households and 1.728 legal persons, or the total of 24.188, which is an increase of 9,1% compared to the situation in 2005.

Industrial waters used at the plants and facilities of ArcelorMittal and other companies operating in Business Park Zenica 1 is taken from the River Bosna. The aforesaid company runs these hydro-technical facilities.

The problem of industrial and communal waste water treatment in Zenica is very complex because of their disposition via mixed sewage and still-non-functioning treatment before its discharge into the River Bosna. The current plans for building a waste water treatment facility date back to 1980s when this project was actually incepted.

The Zenica water supply system could be divided into two separate water supply zones: The first zone includes the urban core which is supplied from the city water supply system run by the PI VIK d.o.o. Zenica. This utility company supplies a drinking water for 80.000 inhabitants. The second zone includes the remaining municipal territory (rural area) so that the remaining 50.000 inhabitants are supplied from local water supply systems.

Year	2005.	2006.	2007.	2008.	2009.
Leakage %	43,6	46,1	47,7	39,2	35,6

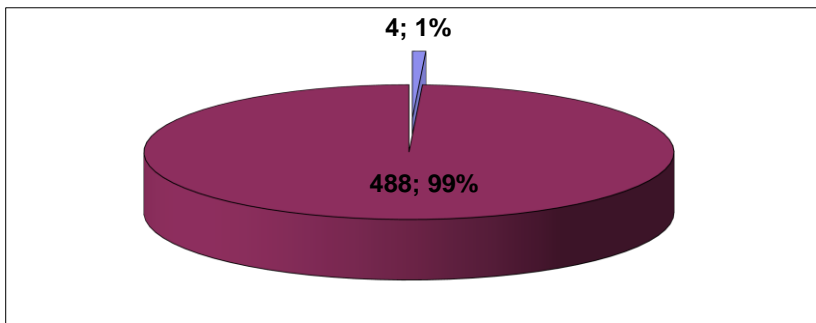


Figure 29

The-above stated indicators show the downward trend of water leakages in the water naetwork in recent years, which is particularly visible in the past two years.

Year	2005.	2006.	2007.	2008.	2009.
Number of clients of the city water syxstem	72168	79507	73906	73344	74838

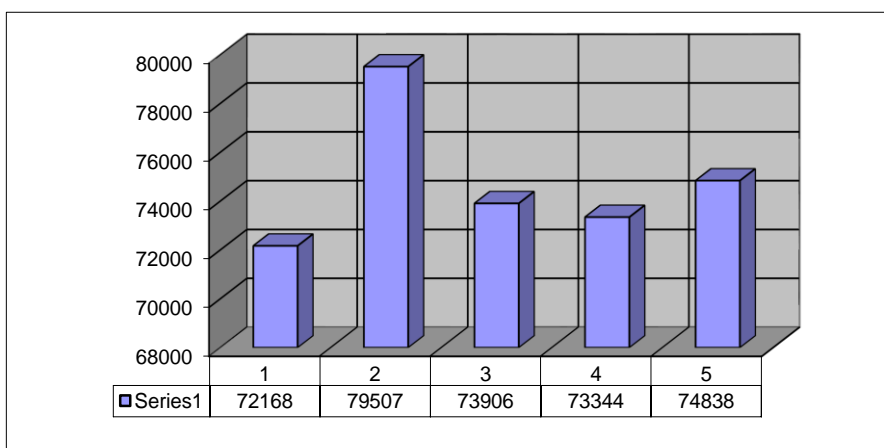
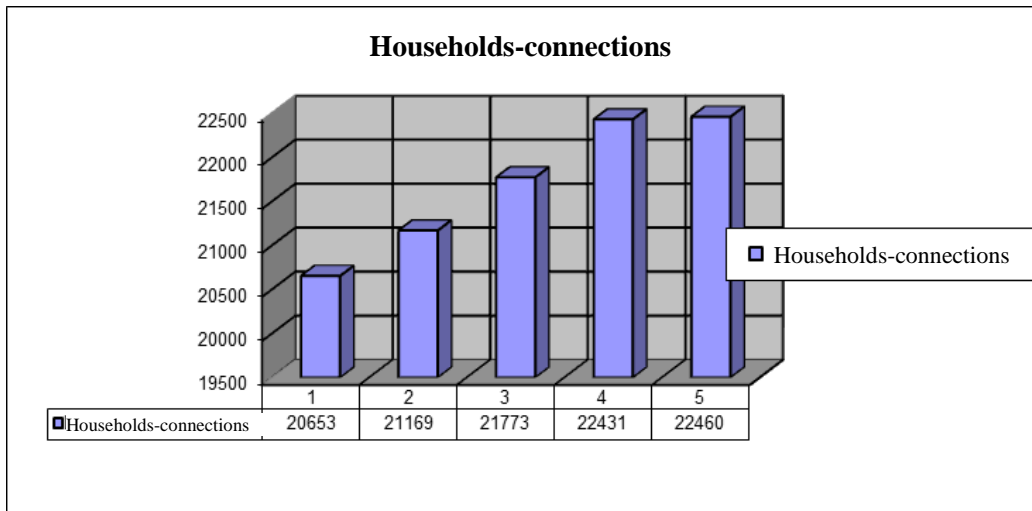


Figure 30



Zenica has a 120 km long sewage system. Connected to the system in 2009 were 22.460 households and 1.728 legal persons, or the total of 24.188, which is an increase of 9,1% compared to the situation in 2005.

<b>Description:</b>	<b>2005.</b>	<b>2006.</b>	<b>2007.</b>	<b>2008.</b>	<b>2009.</b>
Household - connections	20653	21169	21773	22431	22460



**Figure 31**

The problem of industrial and communal waste water treatment in Zenica is very complex because of their disposition via mixed sewage and still–non-functioning treatment before its discharge into the River Bosna. The plans exist now to build the sewage system which will separate the city from the collector cutting across the ArcelorMittal compound. The pre-investment studies are being prepared and assessment of specific urban waste water treatment technologies is under way in Zenica.

In the past five years, between 2005 and 2010, the investments in water management reached the amount of 8.382.736,93 KM. The highest amount of funds were secured by ZDC, around 57%, Municipality of Zenica 26% and Sava Water Shed Agency (GOC Sava Water Shed), 17%.

<b>Total 2005</b>	<b>Total 2006</b>	<b>Total 2007</b>	<b>Total 2008</b>	<b>Total 2009</b>	<b>Total 2005 – 2009</b>
1	2	3	4	5	Total 1 - 5
1.503.786,70	2.144.293,54	1.326.136,87	2.144.495,80	1.264.024,02	8.382.736,93

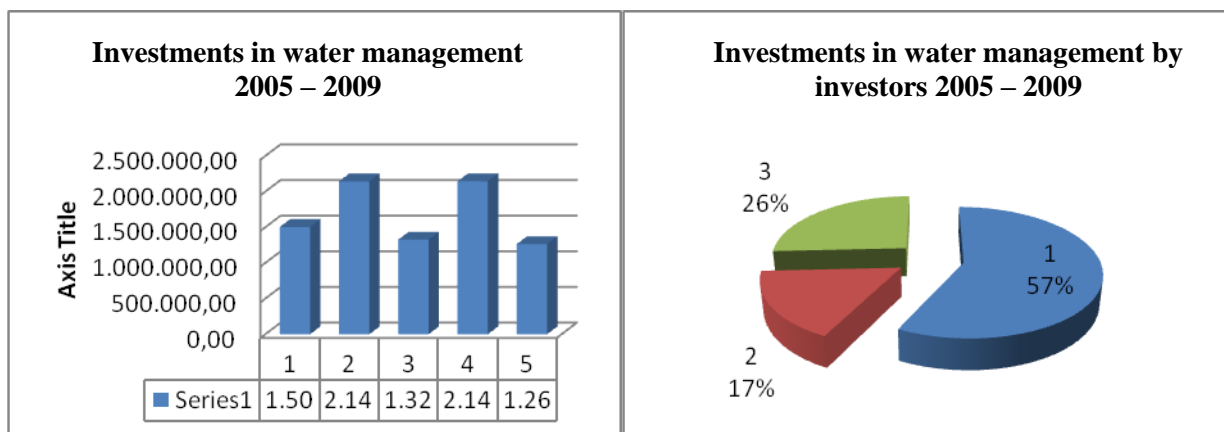


Figure 32

Suburban parts of Zenica and rural areas are supplied from local and individual water pipelines. Around 350 water pipelines and 492 water wells are registered in the Zenica territory.

Number of registered water pipelines

Registered	Registration under way	Not registered
3	18	329

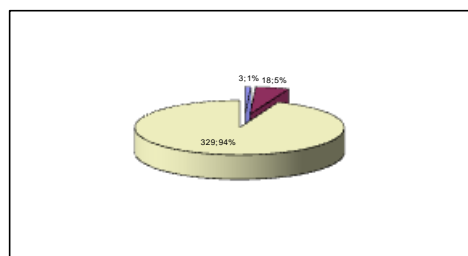
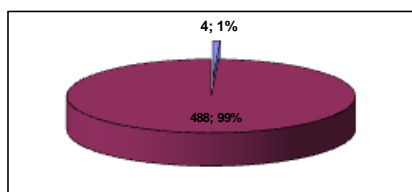


Figure 33

An overview of the wells in terms of the existence of a decision on sanitary protection zones and its implementation:



Number of wells used	Decision exists	Decision non-existing
492	4	488

Figure 34

Major problems of the water pipelines include: uncontrolled consumption, particularly in hot summer days, the lack of regular inspections and cleaning of the facilities and installations, minimum or non-existent fees for water system maintenance which are, pursuant to the Water Act, mandatory, while, at the same time, those systems are not covered with the water permit which is a serious problem on its own right. In recent years, 47 water tanks of the total volume of 3000 m<sup>3</sup> were built and 408.000 meter of water pipes laid and 78.000 m<sup>3</sup> of sewage network installed in the rural areas.

For several years now the intensive negotiations have been under way with the neighboring municipalities to build the Blue Water pipeline. With this project in place, the preconditions would be created for further urbanization of the suburban settlements.





### **11.3.2. District heating**

A district heating system has been operating in Zenica for about 40 years now. The hot water pipeline is 120 km long. The distribution of thermal energy helps heat the 1 036 356 m<sup>2</sup> of households (about 20.000 beneficiaries) in the apartment blocks, 1.500 individual homes and 252.800 m<sup>2</sup> of the business premises. There are 551 sub-stations (516 of them operating), out of which 447 with direct heat exchange system and 104 with heat exchangers. The heat sub-station regulations is done manually.

The basic problems and shortcomings of the current district heating system include: low reliability and limited capacities of the heat source, obsolete hot water pipelines, limits to the available heat network capacities and non-existent technical capacities to connect new consumers, obsolete and worn-out thermal sub-stations, unstable quality of heating in different buildings because the heat delivered depends on the hydro-dynamic conditions in the connected hot water pipelines, non-existing elements of automatic temperature regulation which often leads to human errors and disruption of hydro-dynamic operation regime in the hot water pipelines (particularly with the thermal sub-stations having direct heat exchange), the space size-based calculation consumption does not stimulate savings.

With the CCPP facility of 390MW/170 MW up and running, the district heating system will be 50% larger which will necessitate the reconstruction of the existing pipelines.

### **11.3.3. Public transport**

Public transport is organized at 37 municipal routes with the total of 692 daily departures.

The entire business of the citizens' public transport is carried out with 53 vehicles of the Public company Zenicatrass – Transport of Passengers d.d. Zenica. The average age of the vehicles used for public transport is 22 years, and they meet the basic safety requirements. The average fuel consumption of the fleet is 36 l/100 km.

With the aim of shortening the idle engine operation (at the bus stops) the electronic ticket payment system was introduced (the first and only in BiH), which helped reduce the idle engine operation at the bus stops by 50% and also reduced the air pollution in the town.

In 2011, ten new vehicles were purchased, the fact that reduced the fuel consumption by 8 liter/100 km, all vehicles with EURO III engines which cause much lower air pollution than the old-type engines.

In order to systematically resolve the transport of passengers, a Study of Public Transportation in Zenica was developed. According to the study, the introduction of tram line in Zenica has its full justification because the trams would shortly replace most of the bus lines in urban areas enabling not only a great reduction in air pollution but also a major decrease in private car urban driving.

## **11.4. Environment**

The environment makes the natural habitat. air, soil, water, climate, plants and animals in the entirety of their inter-relations as well as the cultural heritage as part of the environment created by man.

The air pollution in the city valley is particularly felt in winter months, and it is mostly caused by ArcelorMittal as the largest polluter, but also by a great number of household combustion places.

It is necessary to introduce an Air Quality Monitoring System as a safe way to get in a position to manage the air quality in Zenica. The main goal is to define the optimum network of automatic and supplemental air quality measurement stations and set up and organize the data processing and interpretation system, reporting

and undertaking required measures and activities, all pursuant to the Rules of Air Quality Monitoring (Official Gazette of the FBiH No. 12/05).

The activities that need to be made to achieve those goals include:

- Developing a project for air quality monitoring system,
- Purchase of equipment and measurement instruments, and
- Training of staff in charge of measuring and data processing.

The Municipality of Zenica (TMZ) takes a number of concrete activities in resolving the stray dog issue. In collaboration with the veterinary station and NGOs, regular safety control checks are done on the stray dogs, with the required vaccination and marking. So far, around 700 dogs and 130 cats were subjected to veterinary checks.

The animal shelter project is under way. The location is designated and initial urbanization documentation issued for construction of the shelter including all of its facilities.

The next activities the TMZ is working on pursuant to the Law on Animal Protection and Welfare is the campaign aimed at marking, or chipping of all dogs, both those having their owners and stray dogs. In parallel with this activity, the procedures of identification of all dog owners in the municipal territory will be launched.

With the study that shows the presence of heavy metal traces in plants and soil, which was made in the four neighborhoods located next to the ArcelorMittal Zenica compound, the investigation will continue in 2012 to examine the level of contamination of soil and plants. The examinations will take place at the total of 12 locations in three concentric circles at the distance between 2,5 and 20 kilometers. The project is run by the Federal Institute for Agriculture and Agro-Pedology. Once the investigations are finalized, the continuing monitoring of soil and plant safety will be put in place.

The quantity and quality of water of most water courses and wells is largely disrupted, mostly because of the uncontrolled wood cutting some years ago, and now by inadequate foresting and a large number of wild dumps which cause the soil and water pollution.

It is necessary to find the operational solutions to improve the environment quality as a whole by acceptance and application of the principles of sustainable development.

#### **11.4.1. Waste disposal**

The integrated waste management system makes an intrinsic element of a modern society, and to make it efficient, the economic factors need to be put in place to reduce its quantity, to selectively collect, process, recycle and reuse the waste.

The BiH legislations largely regulate the issue of waste management, although it is still not harmonized with the EU rules and standards. However, the failure to abide by the rules poses huge problems. There are no complete or reliable information on waste quantities or flows, neither is there a proper control in place. Particularly poor-developed is the infrastructure which is either inadequate or not used properly. The waste management procedures are reduced to disposing the waste at the dumps most of which do not meet the prescribed standards. Education and awareness raising activities are inadequately developed.

The situation analysis indicates a number of problems that have negative impact on human health and environment. In order to properly resolve those problems, a number of goals need to be achieved.



By the end of 2011 the waste management action plan will be adopted. This plan will define concrete projects conceived to improve the waste management activities in TMZ, and their implementation will improve the waste collection and disposal services, as well as increase the territory covered by organized waste collection and thereby raise the people's environment awareness.

#### **a) Existing waste collection and disposal services**

With the set of environment laws passed in 2003, as well as a number of by-laws, the legal preconditions were created to set up an integrated waste management system. In terms of implementation of these laws, the main goals of the TMZ include environment protection, promotion and fostering sustainable resources management through establishment of the integrated waste management system.

In TMZ, it is ALBA Zenica Company that is in charge of collection, transportation and disposal of communal waste and some types of non-hazardous waste like industrial waste, medical waste and construction waste. The activities that make up the existing waste management system are reduced to the basic ones including collection of waste by way of trash bins and containers, its transportation and disposal at the sanitary landfill.

In the months to come, it is necessary to extend the collection of communal waste also to those households who did not want to accept the trash bins, or to be part of the system, and who dispose of their waste at the wild dumps that need to be removed separately.

In 2001, 70% of the waste was covered by organized communal waste collection system. This year, 95% of the urban area is covered, but it needs to be said that 4715 trash bins have been distributed to the suburban households recently and they have now become parts of the organized waste management system.

The organized waste management system in 2009 covered 70% of the households and 90% of businesses, i.e. 24.100 beneficiaries of the waste management system. The annual collection runs at 28.000 m<sup>3</sup> of waste which is adequately disposed of at the Regional Sanitary Landfill Mošćanica that operates a fully controlled procedure of disposal at its site. A very small quantity of waste is actually sorted (around 5%).

The estimate goes that over the past 20 years, some 68.000 m<sup>3</sup> of waste have been disposed of at the wild dumps. These dumps need to be rehabilitated in an eco-friendly way. It is through amended decision of the communal order and more rigorous inspection controls that the preconditions could be created to apprehend and sanction the individuals who fail to abide by the communal order rules, create wild dumps which have a severe impact on pollution of water in particular, and the nature in general.

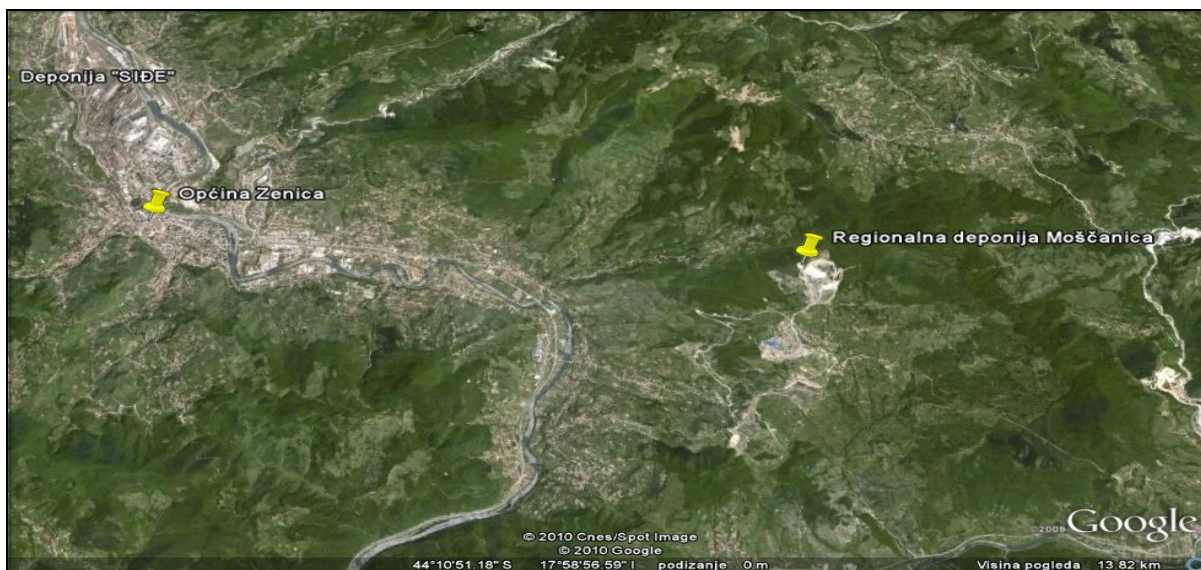
#### **b) Regional landfill Mošćanica**

Regional landfill Mošćanica was incorporated in 2002 as a result of the first phase of the World Bank's waste management project in BiH, and was commissioned in June 2008.

The sanitary landfill is located in the area of Mošćanica Open-pit mine around 16 km away from the urban Zenica. It takes up the area of 20,5 ha. The landfill lies at the altitude of 600 – 700 m. The compound was created by disposal of waste-rock and building up the mounds between the surrounding hills.

RD Mošćanica is a limited liability company owned by TMZ, and was incorporated as a result of the Memorandum of understanding signed by Zenica and surrounding municipalities. The landfill was designed for daily operation of 220 tons of waste, with the life span of up to 30 years. It currently operates only 100 tons per day, because not all the designated municipalities actually use it, and even they do not supply the expected quantity of waste. Due to the low level of usage, the price of the waste disposal at the landfill is 45,7 KM per ton, VAT excl. It needs to be said that the Regional landfill Mošćanica is the first successful

sanitary landfill project of the six such projects planned in Bosnia and Herezgovina, and it is the most modern one in the region.



**Figure 35.** The location of the Moščanica landfill

**c) Local disposal site Side**

Disposal site Side is located at the east slope of the Zenica valley, 2 km away from the city center. It has been in operation since the 1960s and it was actually a disposal site for various types of waste, mostly communal. The site location partially lies on the old mine pit. There is a water well at the site summit, which streams down along the slope and causes landslides. High temperatures inside the waste mass used to cause fires and sudden methane explosions emitting black smoke and posing a great risk for local population that live in houses only 150 meters away from the disposal site.

The soil is made of the permeable and impermeable layers, with the limes and marls, clays and surface layers of coal.

The most distant plateau is closed down, covered with dirt and mud from the steelworks and is currently fully overgrown with vegetation.

The waste layer is 15 to 30 m deep, but no reliable data are available on that, partly because the site was being filled up in an uncontrolled and unplanned manner so that the layers used to be left out of operation for some time, and then were covered with waste again. The current quantity of waste is estimated at around 1,3 million miliona m<sup>3</sup> on the area of around 7,8 ha.

The site rehabilitation is a complex task as regards to the available technical and technological options and financial capacities.

With the construction and commissioning of the Regional landfill Moščanica, the conditions were created for final closure and rehabilitation of Side disposal site. In this view, TMZ launched activities in line with the waste management rules and provisions to protect the environment and local population. A preliminary rehabilitation project design was made in collaboration with the Piedmont Region, Italy. Federal Ministry of Environment and Tourism approved a 1 million KM grant used for purchasing geo-synthetic material for rehabilitation or conservation and final closure of this disposal site. This project is aimed at turning the local garbage site into a nicely developed green area.

The expert revision of the documentation developed indicated the need for making the:

- Project of investigation works,
- Project of landfill rehabilitation, and
- Feasibility study of the site rehabilitation.

To speed up the whole process, the procedure was launched to develop a project to be funded by the World Bank loan managed by the Waste management project implementation team within the Regional landfill Mošćanica. The first phase of the Side disposal site rehabilitation started off. The main contractor is Eurco. The estimated value of this investment amounts to 1.5 million KM.

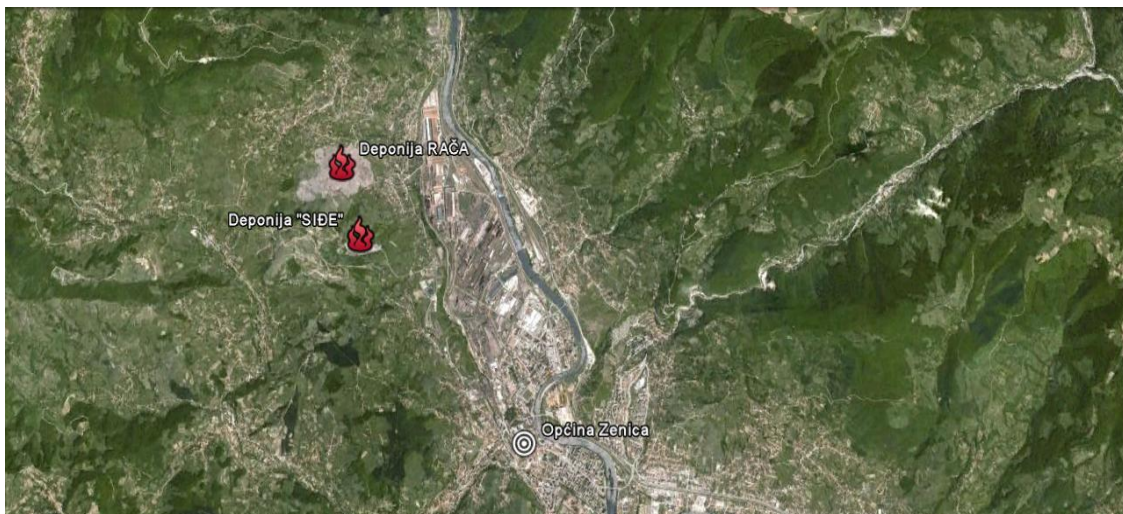
The project design envisages the Side rehabilitation to take place in two main phases:

First, the landslide rehabilitation has to be done, and only after that the whole site rehabilitation will take place. This is going to be the first city disposal site actually closed down, rehabilitated and recultivated in line with the international environment standards.

#### d) Industrial waste dump – Rača

At the Rača locality, a disposal of industrial waste from Steelworks, now ArcelorMittal, has taken place for quite some time now. This locality covers the area of 66,5 ha.

TMZ has launched the activities to take over the site from the Steelworks in order to create preconditions for lawful location management. As a result of these activities, the procedure was initiated to select the best contractor for the Rača dump rehabilitation.



**Figure 36.** The location of Side and Rača

In November 2010, the call for proposals was published and thereby a procedure launched to select the strategic partner for beneficiation of slag up until the final rehabilitation and re-cultivation of the dump. The signing of the Contract between TMZ and MLM Group marked the beginning of the Rača industrial dump rehabilitation.

#### e) Wild dumps

Wild, illegal dumps pose a great problem to our municipality, particularly its suburban areas. We live in a consumer society which generates waste more than anything else. Wild dumps are almost always located on a deserted state-owned land, often by the access roads, along the river courses (Bosna, Kočeva, Babina

rijeka) and close to villages. In late 2004, the PC Regional Landfill Moščanica made a list of dumps that includes 88 large wild dumps. Each year, in early spring, TMZ organizes the outdoor cleaning activities. The whole population of urban and suburban neighborhoods take part in the activities, with the existing plans to involve the village population too. Year after year, this activity generates ever greater results, because the number of participants is on the constant rise: primary and secondary schools, students, NGOs, associations of citizens and inhabitants of the neighborhoods where cleaning activity actually takes place. The annual quantity of 27.256 m<sup>3</sup> of waste is adequately disposed of. Unfortunately, the problem of wild dump still exists, and this is mainly caused by the following:

- Organized collection of communal waste includes 70% of the population and 90% of businesses
- The disposal of some specific types of waste (lump waste) is not organized yet
- There is no integrated approach to the solution of this problem.

As a result, the most important thing to do at this moment is to make a wild dump cadastre based on which the plan would be made to remove them and rehabilitate the land they used to lie upon.

#### **11.4.2. Land use and protection**

Land is the most valuable natural resource, and agricultural land is considered a resource of common interest. The land use in TMZ is mostly focused on industrial and some other technical uses (building and extension of settlements, infrastructural facilities etc.), and only small part of it is used for agricultural purposes.

A major part of the land, around 350 ha, was destroyed by mine-pits and dumps. Due to excessive and illegal wood cutting the forests are in jeopardy and a large part of the forest land is barren and devastated.

The special kind of land devastation comes from contamination of soil from harmful substances, primarily heavy metals released from metallurgical and other industrial plants. The soil contamination problem is felt in six (6) neighborhoods located in the vicinity of the ArcelorMittal compound.

The latest research indicates that the capacity of land in TMZ is limited in terms of immission and harmless binding of heavy metals and sulfur, as well as its capacity of self-purification. Two studies were developed in 2010 on the concentration of heavy metals and sulfur in soil and plants for the whole territory of TMZ.

#### **11.4.3. Air protection**

The air quality in Zenica is threatened from metal industry, other industries and traffic, household combustion places and individual boiler plants. The harmful contents of the raw materials and fuels used in iron and steel technological processes and their related power generation plants (high sulfur content coals) additionally affect the air quality. A number of harmful substances is released into the air: SO<sub>2</sub>, H<sub>2</sub>S, CO, CO<sub>2</sub>, organic compounds, dust particles, heavy metals and other pollutants.

By granting the environment permits to ArcelorMittal plants, the largest polluter in TMZ, according to which the company has to implement a number of environment projects aimed at reduction of harmful emissions - a precondition was created to improve the environment situation in TMZ:

TMZ and other competent institutions (Ministry of Environment and Tourism FBiH and competent inspectorates) will closely monitor the implementation of these projects, particularly by establishing the monitoring missions by way of stationary measurement stations the procurement of which is under way.



The environment situation in Zenica valley is quite complex due to its traditional steel production and coal exploitation, as well as failure to put in place the environment management system.

#### **11.4.4. Water use and protection**

The main priority is to build the infrastructure to collect, transport and purify the waste waters from the urban area with the aim of reducing the uncontrolled discharge of waste waters.

In TMZ there is a number of wells partly used by local population for water supply. The drinking water wells used for water supply are not protected and no measures are put in place to make them safe. The registration of all natural wells needs to be done to make systematic well safety plans.

Currently the city waste waters are discharged partly (50%) into the industrial sewage of the ArcelorMittal Company, or at three locations directly into the river Bosna, which has a great impact on the quality of this watercourse. The activities are under way to build a city waste water treatment facility as a best solution for waste water management and protection of the river Bosna. This projects offers a preliminary design for construction of separate sewer system.

With the construction of water supply lines in suburban and rural areas, the quantity of waste water directly discharged into the watercourses is increased. The sewage is supposed to lead to efficient collection of waste waters from all small municipal settlements, along with the construction of the waste water treatment facility for water treatment before its discharge into the watercourse.

#### **11.4.5. Environment awareness**

One of the main reasons for slow resolution of the environment pollution in TMZ is a low level of knowledge and environment awareness of the popouion. This results in uncontrolled pollution by irresponsible individuals, and also in weak influence of the public on the institutions responsible (competent municipal departments, ministries, inspectorates etc.) who need to resolve these problems. It is necessary to launch the systematic education and find various ways to raise the environment awareness and level of information, all aimed at raising the quality of life and reducing the environment pollution.

#### **11.4.6. Landslides**

Due to engineering-geological characteristics of the soil, as well as the technogenic activities and exploitation of minerals, there is a number of landslides in TMZ. Currently, there are 60 registered active and inactive landslides. The total number of landslides in the territory of TMZ is: 26 active and 35 inactive. The 68% of the municipal soil is either stable or conditionally stable. The percentage of unstable soil in TMZ is 31,4% out of which 227,81 ha are infulenced by landslide processes, which takes up 0,41% of the whole territory of TMZ (55.046,12 ha).

TMZ has a Cadastre of landslides with the degree of their stability and hydro-characteristics, made in 1979 by the Geodesic Institute in Sarajevo and Institute of Cartography in Bgrade. More than thirty years have passed since then which necessitates a development of a new cadastre of landslides.

The municipal Department of Civil Defense has made a register of landslides which could be a good baseline for development of a new cadastre of landslides.

In 2010, TMZ made an application, together with the Italian partner (Environment Park Turin) for the Project for establishing and maintenance of the cadastre of landslides with the Italian Ministry which allocated funds for implementation of the section 1 and a part of the section 2 of the first phase.

The program and plan of activities for establishing and maintenance of the cadastre of landslides and instable slopes in TMZ include the works in two stages:

I stage – establishing of cadastre of landslides consisting of two sections:

Section 1 (preparatory works) – program and plan of activities of establishing and maintenance of the cadastre of landslides, developing a methodology and creation of preconditions for setting up a landslide database.

Section 2 – establishing a GIS system and purchase of the software needed, purchase of digital bases and satellite images, collection of geological information, purchase of the required field and office equipment, setting up the initial database and networking it into the user system and making the prospect landslide map.

Once the project is finished, the local government will have a matrix of the cadastre of landslides with the locations included and three fully processed locations of the most critical landslides at the most modern methods applied in EU. The project includes a training of staff on how to feed the information into the cadastre of landslides, do the maintenance and monitoring.

As for the next planning (strategic) period, the funds need to be secured for the second stage of the project which includes the feeding the data for all landslides, maintenance of the cadastre and monitoring of landslides with all attaching equipment needed to implement the project (GIS system).

## Summary

*The traffic infrastructure is well developed in Zenica. The investments announced and the investments under way (construction of Motorway) will bring about progress in Zenica and make it more attractive for new investments.*

*Sustainable development is a harmonized development which meets the development needs for power and resources without adversely affecting the natural balance. Development shall not put at risk the future of the next generations and their prospective needs. The use of renewable sources of energy is a must in the years to come.*

*Despite the major efforts invested in improvement of the population water supply quality, this system shall be continually improved in the future. The same goes for the waste water management system. The problem of industrial and communal waste water treatment in Zenica is very complex because of their disposition via mixed sewage and still–non-functioning treatment before its discharge into the River Bosna.*

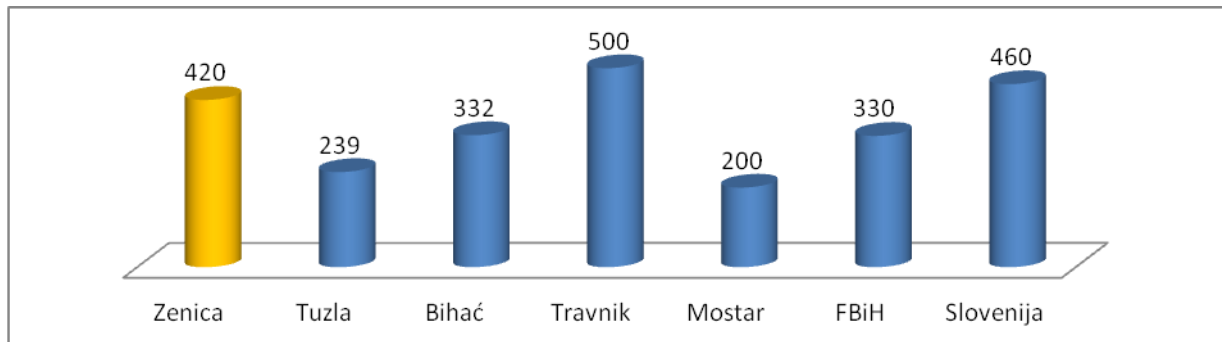
*The main prerequisite for rational utilization of space and environment is a sustainable space and environment management based on the environment principles: prevention (application of ecological criteria in spatial planning); integrated approach (interaction with the wider area and environment as a whole); conservation and improvement of the current and sustainable exploitation (the level of usage of natural resources should not exceed the quantity that could be compensated by the natural systems); harmonization of emissions/burdens of the environment with the natural capacities of the environment; cooperation/consensus (higher level of democratic decision making); substitution (replacing activities, procedures and technologies with the ones posing much lower environment risks); market regulation (the spatial fees the users pay shall be in conformity with the ecological parameters).*

Local government and administration consists of 12 departments. The local administration employs the total of 303 staff members.



## 12. LOCAL ADMINISTRATION

Local government and administration consists of 12 departments. The local administration employs the total of 303 staff members.



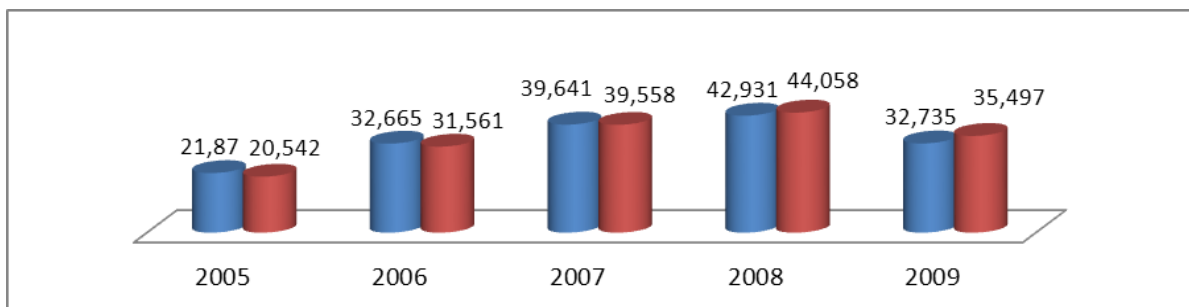
**Figure 38.** Comparison of the number of citizens per one local administration employee

If we take a number of inhabitants per one local government employee as a local government efficiency indicator, we can see that the number of citizens per one employee is much higher than the FBiH average. Assessed against this criteria, Zenica is close to the Slovenian local government standard.

There are 72 neighborhoods operating in the municipality. Four neighborhoods do not have their offices, 32 neighborhoods do not have women actively involved in the work of their councils, 18 neighborhoods (MZ) are not adequately equipped (telephone set, fax, PC etc.), 37 MZs do not have the facilities to organize public and cultural events, and 3 MZs do have the well-developed sports facilities.

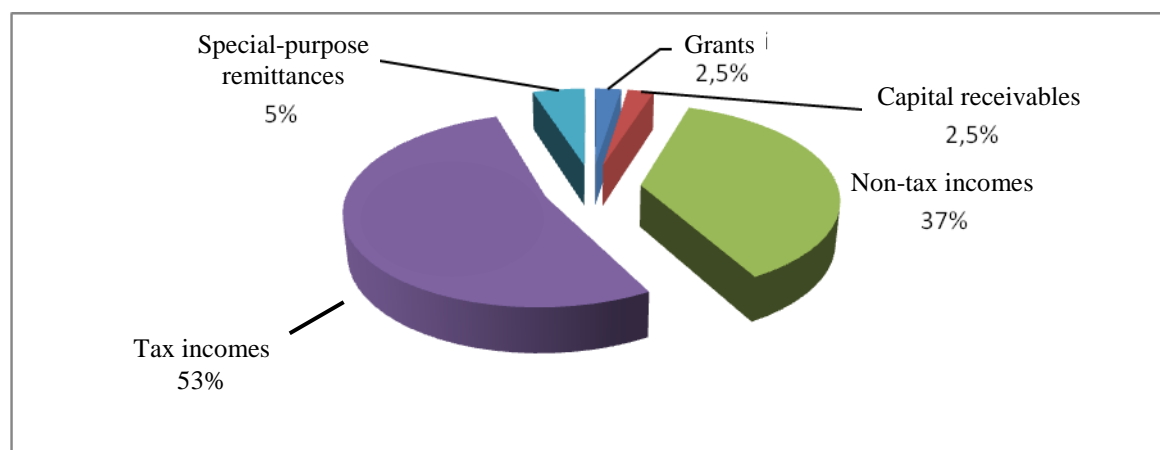
## 13. MUNICIPAL BUDGET

The budgetary incomes of TMZ in 2009 amounted to 31.152.088,00 KM or, with the special-purpose Cantonal grants added, 32.735.067,00 KM, which is 23,8% lower than those in 2008, and 17,4% than those in 2007.



**Figure 39.** The budgetary incomes and expenditures of the Municipality of Zenica (000 KM)

As we can see, the incomes and expenditures doubled between 2005 and 2008. After that, in 2009, both incomes and expenditures dropped significantly, mostly because of the lower incomes from tax fees, which came as a result of the poor economic situation in BiH. The incomes were also reduced because of the failure to sell out the Business Park land, which had been a major portion of incomes in the previous years.



**Figure 40.** The structure of incomes of the Zenica Municipal budget (2009)

In the structure of the overall budgetary incomes, 53,0% or 17.316.820 KM are tax incomes, 37,0% are non-tax incomes, and the remaining amount (10,0%) consists of receivables, grants and special-purpose remittances).

As for the tax incomes, the largest share is that of the indirect taxes from the single account amounting to 9.945.281,00 KM, or 57,4% of the total tax incomes or 30,4% of the total municipal budgetary incomes. Out of the total amount of the indirect tax incomes, 8.934.424,00 KM belongs to the Municipality as local self-government, and 1.010.857,00 KM to the Road Directorate. This type of tax incomes is 11,1% lower than the amount reached the year before, with the simultaneous decrease of 27,6% of the total tax incomes.

For all other types of taxes, the incomes were lower than those reached in 2008, namely: for the profit tax – 23,5%, payroll tax – 96,1, property tax – 59,3%, local taxes – 92,6% and other taxes – 93,6%. The incomes from payroll tax which was not there in the years before, amounted to 3.628.000,00 KM.

The non-tax incomes are 7,3% lower in the total amount than those in 2008. The special fees and taxes are increased by 56,0% and other budget fees by 10,1%; the other types of non-tax incomes are lower than those the year before.

The structure of the expenditures of the Municipality of Zenica in 2009 is given in the following table:

No.	Expenditures	PLAN 2009. Amount in KM	Executed in KM	INDEX Executed/Planned
1.	2.	3.	4.	5.
I	Current expenditures (daily activities)	8.647.000,00	7.571.231,89	87,56
II	Special-purpose expenditures	29.570.000,00	23.175.479,84	78,37
III	Allocations to the lower organizational units	2.978.000,00	1.975.834,34	66,35
IV	Current budgetary reserves	300.000,00	63.980,00	21,33
V	Outstanding liabilities from 2008	1.130.000,00	1.127.225,37	99,75
	<b>TOTAL EXPENDITURES</b>	<b>42.625.000,00</b>	<b>33.913.751,44</b>	<b>79,56</b>
VI.	REALIZATION OF SPECIAL REMITTANCES Current supports-special purpose remittances from Canton	2.000.000,00	1.582.979,49	79,15
	<b>Total expenditures I-VI</b>	<b>44.625.000,00</b>	<b>35.496.730,93</b>	<b>79,54</b>

**Table 8.**

Within the current expenditures, payrolls and employees' costs recovered and material operational expenditures of the local administration make 21% of the total budgetary expenditures.



As for the special-purpose expenditures related to servicing public consumption and services in 2009, the total of 23.175.479,84 KM or 78% of the planned assets was actually spent. The structure of this group of expenditures consists of:

- Expenditures for material and services (for instance public lighting and heating costs, communal hygiene, students' commuting costs, maintenance of roads, public lighting and signalization, developing project and planning documents, costs of supervision, air monitoring costs, forensic costs, deratization costs etc.),
- Current transfers (for instance grants to other levels of power, grants to individuals, grants to NGOs, subventions to public companies and other grants),
- Capital transfers (for instance construction of the City Arena, investments in MZ-based water management, investment and current maintenance of day nurseries etc.) and
- Procurement of fixed assets (for instance reconstruction and investment maintenance and furnishing of the Industrial park companies' facilities, construction of memorials and housing blocks for the vulnerable population groups etc.).

The remittances to the low-level consumer groups constitute the expenditures related to the funds for financing of the regular operation of the PI Social Work Center Zenica and expenditures of the permanent social care beneficiaries, heating subventions for the social care beneficiaries and the vulnerable groups - the citizens in need of such assistance.

## II. STRATEGIC FOCUSING

### 1. SWOT ANALYSIS

---

#### **Strengths:**

- Central geostrategic position (European Corridor V-c, vicinity of Sarajevo) and good transit communications
- Traditionally developed civil engineering
- Administrative and cultural center of Canton, regional development center
- University city with a tradition of scientific and development researches
- Business-entrepreneurship infrastructure
- Relatively skilled and inexpensive workforce
- Industrial and handicraft tradition
- Reconstructed and restarted steel making capacities
- Big international capital attracted and invested
- Sports, cultural and exhibition infrastructure, good image in organizing sports and exhibition events
- Regional sanitary landfill
- Rich technical resources and diagnostic laboratories in all fields and sectors – within UNZE

#### **Weaknesses:**

- Disharmonic relations and inefficient cooperation between municipality, canton and state
- Inadequate industrial structure (dominated by heavy industry, inadequately developed SME sector)
- Non-entrepreneurial tradition and culture
- High unemployment rate and weak purchase power of the population
- A drop in birth rate and demographic ageing
- Social deformations characteristic of larger BiH communities (criminal, drugs etc.)
- Contaminated agricultural land, devastated mining areas and activated landslides
- Endangered environment, underdeveloped environment management

#### **Opportunities:**

- Leadership in construction of development infrastructure, project management and usage of local and international funds
- Corridor V-c cut across the wider city area
- Improved economic structure by way of:
  - Systemic support to entrepreneurship and MSE
  - Targeted promotion and investment attraction
- Public-private partnership in funding and implementation of development projects
- Support for development of so-called creative industries
- Using the forthcoming program of support and rural development funds
- Inclusion of non-governmental and private sector in rendering public services
- Taking a single multi-disciplinary approach to integrated economic development to efficiently respond to the challenges and opportunities opened up in EU integration processes
- Introduction of environment management mechanisms and instruments
- A large reduction of environment pollution by construction of a gas-fired power plant
- Investments in raising energy efficiency

#### **Threats:**

- Lagging of BiH in the EU integration processes, a delay in getting the EU-candidate status (inability to use the funds for transport, competitiveness, environment, development of human resources and rural development)
- Delays in construction of Corridor V-c and modernization of railway transportation
- Lagging in attracting foreign investments compared to the neighboring countries
- The pressure of social problems onto the development investments
- Higher poverty level as a result of unemployment and structurally inadequate economy
- Higher crime rate in general
- The increased brain-drain in younger population
- Activated landslides due to natural disasters



### **Summarized findings of the socio-economic and strategic (SWOT) analysis**

TMZ has the ageing population which combined with the negative migration balance, leads to a decrease of total number of inhabitants and shifts the focuses of social policy toward ever more pronounced needs of elderly population.

The analysis of demographic indicators offers the indications of:

- Continued ageing of the Zenica population,
- Greater health and social care contributions in the future,
- Continued decrease of working-able population
- Further decrease of the total number of inhabitants in TMZ.

A major and continued growth of GDP was sufficient to mitigate a great loss of jobs in the large pre-war systems that used to be main employers in the municipality. What needs to be done is to improve the labor market dynamics and pay a special attention to women and youth as disadvantaged groups of unemployed in the labor market.

### **The structure of the Zenica economy has a strong impact on environment**

The activities shall continue in revitalization of the land devastated by industrial use. The continued efforts are needed to improve the air quality control and protection, improvement of the water supply for the local population and improvement of the waste water management system. Also, the activities already started in solid waste management should be continued and improved at all times.

Zenica is an administrative and cultural center of the Canton. In the past decade, Zenica has managed to present itself as a recognizable sports and exhibition center. These are all important elements and prerequisites for raising a quality and standard of living. In combination with the developed transport and other technical infrastructure, Zenica has all prerequisites to attract foreign investments.

Zenica is a university city with the well-developed research capacities both in terms of technical resources and human resources. The enhanced scientific-research capacities constitute a good base to give rise to more pronounced municipal development.

Also, Zenica has a major physical and institutional infrastructure, particularly that for development of entrepreneurship and small and medium-sized enterprises. This primarily includes Local Economic Development Agency ZEDA, Business Incubator and TechnoPark. These institutions need to be initiators and implementing agencies of development initiatives.

## **2. STRATEGIC FOCUSES IN ZENICA DEVELOPMENT STRATEGY**

When it comes to economic development, the resources should be focused on continued development of infrastructure needed for fostering private sector and continued strong institutional support for development of entrepreneurship and creating preconditions for efficient investment attraction.

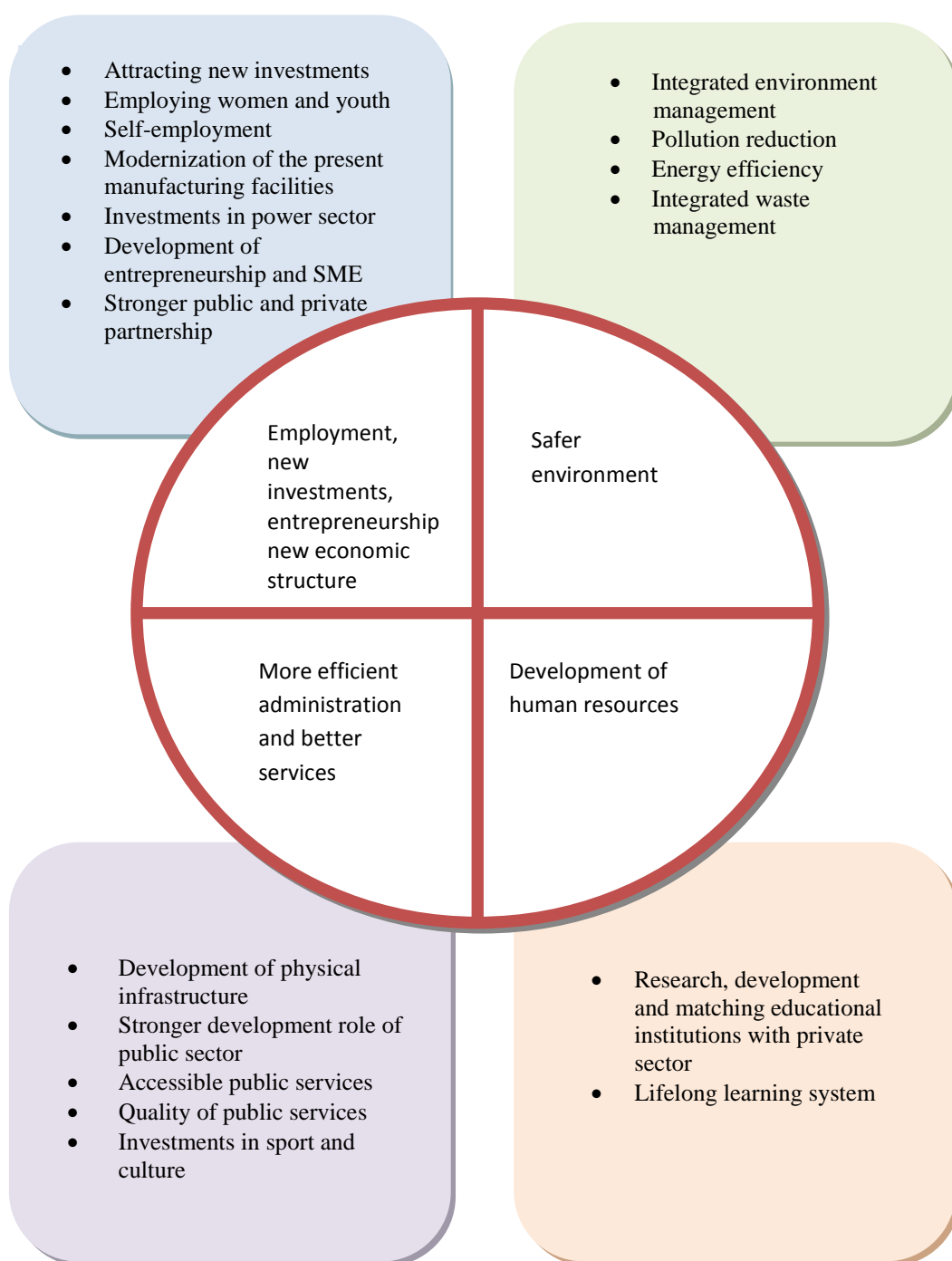
The change in economic structure shall be followed by investment in development of human resources and producing high-skilled workforce through a continued development of physical infrastructure and institutional support for development of private sector and entrepreneurship and new investments. Zenica has important institutional resources in its educational system which could be used to start up the process of lifelong learning system enabling the fast accommodation of workforce to labor market demands.

Public sector, particularly the local administration, needs to continually improve its efficiency and quality of work and take a leading role in launching development initiatives. The efficient local administration needs to initiate a close cooperation of public, private and non-governmental sector, but also to coordinate a large number of joint development initiatives and create space for private and non-governmental sector and their inclusion into rendering of public services.

The environment protection, pollution reduction and regeneration of devastated areas also constitutes one of the focuses of the Municipal development strategy.

One of the strategic capital projects that has a great economic importance, but is also important for improvement of the environment protection and building a safer environment is the erection of co-generation thermal plant which will deliver a heat power for district heating, along with its electricity generation function.

**Slika 42.** Development focuses of the Municipality of Zenica





### 3. VISION AND STRATEGIC DEVELOPMENT GOALS

Diversified economic structure through new investments, entrepreneurship, research and sustainable development

Clean air, water, soil, efficient usage of energy, sustainable waste management and sustainable environment management

#### VISION

**2022. A leading city you want to live in!**

**A city in which you want to raise your children in safe environment, at top quality educational institutions while enjoying top sports and cultural events; the city where you can find a good job**

A developed communal infrastructure and efficient public administration in rendering quality and accessible health, social and other public services

Top university and sports center with the well established lifelong learning system and highly educated workforce

**STRATEGIC GOAL 1:**

Diversified economic structure through new investments, entrepreneurship, research and sustainable development

The existing economic structure of TMZ was a base for previous development, but also a direct and indirect cause of high unemployment rate and structural disruptions in the labor market. The economic structure also caused the unfavorable social situation because of the low wages in businesses that employ the majority workforce. Similarly, the economic structure caused major environment problems by devastating land and polluting soil, water and air. Therefore, a diversification of the economic structure through attracting new investments and technologies, development of entrepreneurship and matching industry with educational and research institutions is one of the most important development projects.

Strategic goal 1 will be implemented with the achievement of the following objectives:

- Objective 1.1:** To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants until 2022
- Objective 1.2:** To attract economic investments and help create at least 6.000 jobs until 2022
- Objective 1.3:** To implement the energy investments with a major engagement of local workforce
- Objective 1.4:** To secure support for creation of 200 economically viable agricultural homesteads in rural areas until 2017

**STRATEGIC GOAL 2:**

Clean air, water, soil, efficient use of energy, sustainable waste management and sustainable environment management

Strategic goal 2 will be implemented with the achievement of the following objectives:

- Objective 2.1:** To finalize the waste management system by 2017
- Objective 2.2:** To bring the pollution of water, air and soil to the legally prescribed limits by 2018
- Objective 2.3:** To improve the level of energy efficiency in the city by 20% until 2020
- Objective 2.4:** To revitalize 70% of the devastated areas and contaminated land and to rehabilitate landslides
- Objective 2.5:** To improve and finalize the spatial and development management system in Zenica





**STRATEGIC GOAL 3:**

A developed communal infrastructure and efficient public administration in rendering quality and accessible health, social and other public services

Further development of communal infrastructure is essential for development of private sector, improvement of accessibility and quality of public services and environment protection. Efficient public administration offer its citizens the quality services by the value-for-money principle.

Strategic goal 3 will be implemented with the achievement of the following objectives:

- Objective 3.1:** Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017
- Objective 3.2:** A major improvement of communal and traffic infrastructure (quantified by related programs and projects)
- Objective 3.3:** Reduction of social exclusion of the most vulnerable groups of population and developing a social card by 2015

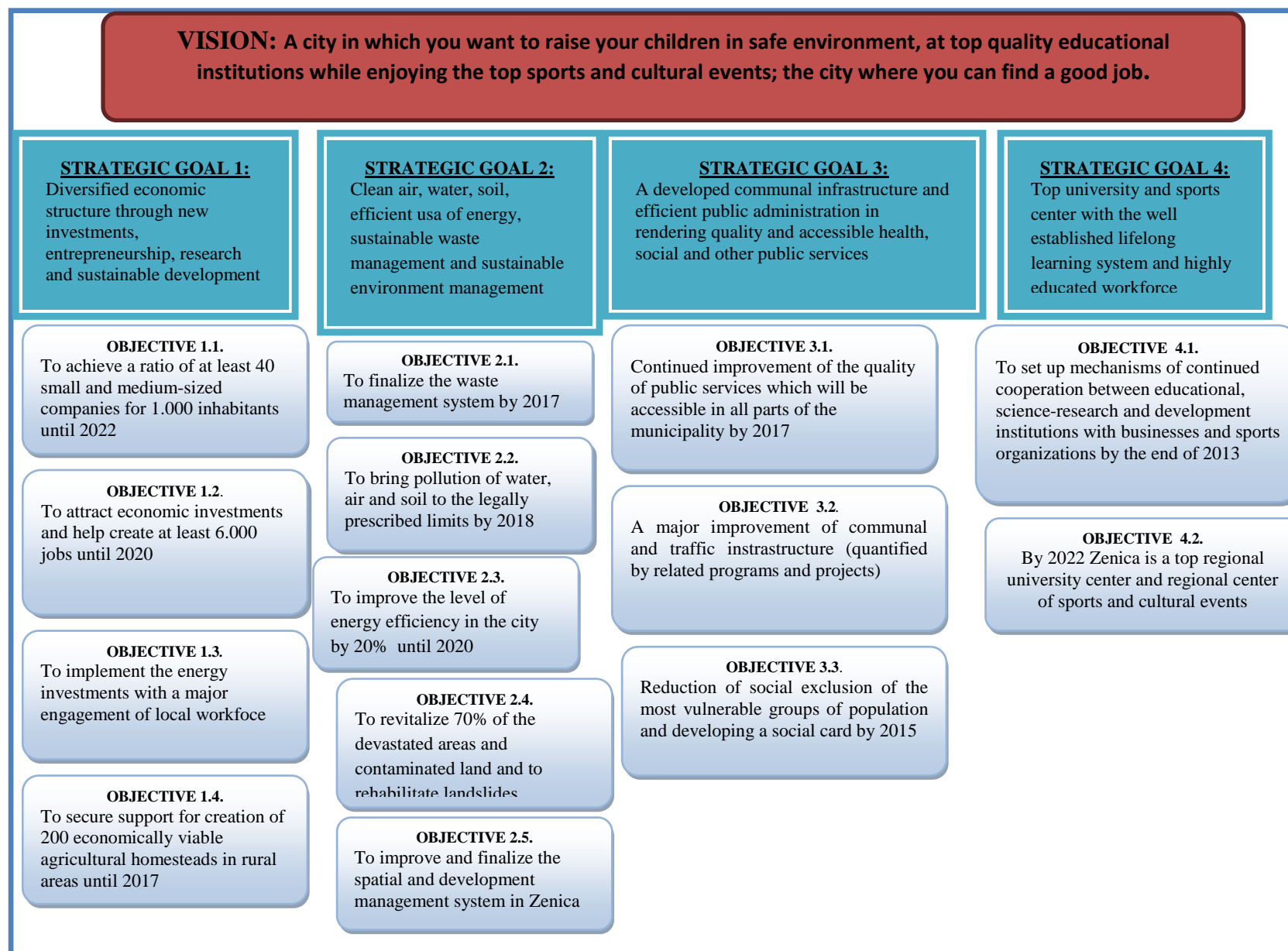
**STRATEGIC GOAL 4:**

Top university and sports center with the well established lifelong learning system and highly educated workforce

The most essential strength at the disposal of Zenica is its educational and research institutions that have potentials and could play a major role in the municipal development. The second important factor of development are people. The labor market analysis has identified the structural problems of the labor market. The issue of inadequate structure of the unemployed at the labor market needs to be resolved by giving a chance for new beginning to all who have been unemployed for more than one year. With the lifelong learning system in place, the qualification structure of the unemployed would be more easily adapted to the labor market needs.

Strategic goal 4 will be implemented with the achievement of the following objectives:

- Objective 4.1:** To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2013
- Objective 4.2:** By 2022 Zenica is a top regional university center and regional center of sports and cultural events





### III. SECTORAL DEVELOPMENT PLANS

#### 1. LOCAL ECONOMIC DEVELOPMENT PLAN

##### 1.1. Focusing

##### 1.1.1. SWOT analysis of the economic development

---

###### **Strengths:**

- Central geostrategic position (European Corridor V-c, vicinity of Sarajevo) and good transport communications
- Industrial and handicraft tradition
- University city with a tradition of scientific and development researches
- Business-entrepreneurship infrastructure – Business Park, Local Economic Development Agency ZEDA and Regional Development Agency REZ
- Relatively skilled and inexpensive workforce
- The exhibition potentials (ZEPS)

###### **Weaknesses:**

- Inadequate industrial structure (dominated by heavy industry, inadequately developed SME sector)
- Non-entrepreneurial tradition and culture and lack of business spirit
- High unemployment rate and weak purchase power of the population
- Inadequate spatial-planning documentation

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###### **Opportunities:**

- Leadership in construction of development infrastructure, project management and usage of local and international funds
- Building of Corridor V-c
- Improved economic structure by way of:
  - Systemic support to entrepreneurship and SME
  - Targeted promotion and investment attraction
- Public-private partnership in funding and implementation of development projects
- Support for development of so-called creative industries
- Using the forthcoming program of support and rural development funds
- Initiatives in the field of energy efficiency

###### **Threats:**

- Delays in construction of Corridor V-c and modernization of railway transport and still unspecified route through the municipal territory
- Lagging in attracting foreign investments compared to the neighboring countries, getting environmentally harmful investments
- The pressure of social problems onto the development investments
- The increased brain-drain in younger population

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The main force that could be used for economic development of the municipality includes the location factors like geographic location at the European Transit Corridor V-c, the vicinity of a capital city and good traffic connections. These factors constitute a major base for development and they need to be continually upgraded to meet the identified needs and expectations of the interested investors.

A continued upgrading and improvement of the existing geographic-infrastructure-land resources need to be combined with the continued promotion of the municipality as an attractive investment location. For this purpose, the existing promotion channels need to be used ever more vigorously, like exhibitions (ZEPS) and other events organized in Zenica.

In addition to location factors, the strengths also include the existing institutional and infrastructural factors for development of entrepreneurship and small and medium-sized companies like Business Park, Development Agency, TechnoPark and Business Incubator.

The most important strength at the disposal of TMZ includes its educational and research institutions the capacities and resources of which need to be fully used to foster a municipal development.

Singled out as major weakness is inadequate municipal economic structure. As stated in part of the socio-economic analysis, the inherited economic structure featuring the heavy industry, caused a number of problems TMZ still face: environment pollution, high unemployment rate, low purchase power of the population and bad social situation.

## **1.2. Economic development objectives**

**The following economic development objectives are identified:**

- Objective 1.1:** To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022
- Objective 1.2:** To attract economic investments and help create at least 6.000 jobs until 2022
- Objective 1.3:** To implement the energy investments with a major engagement of local workforce
- Objective 1.4:** To secure support for creation of 200 economically viable agricultural homesteads in rural areas by 2017

A large part of the development goals of the local community in Zenica is related to the development goals of the steel industry given in the Partnership Agreement with FBiH Government and the development goals of the Brown Coal Mine harmonized with the energy development goals within the Elektroprivreda FBiH. (Note: In this way the existing industrial companies are included in the development goals of Zenica although their implementation is coordinated by higher-level institutions).

The economic development goals are related to the strategic goals, but their implementation is closely related to the goals focused on social development and environment protection:

- Objective 2.1:** To finalize the waste management system by 2017
- Objective 2.3:** To improve the level of energy efficiency in the city by 20% until 2022
- Objective 3.3:** Reduction of social exclusion of the most vulnerable groups of population and developing a social card by 2015
- Objective 4.1:** To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2013

### **1.2.1. Integration with the higher-level strategic documents**

The contents of the Development Strategy of TMZ, particularly its sectoral plan of economic development is harmonized with the strategic documents of the BiH Federation ([www.fmrpo.gov.ba](http://www.fmrpo.gov.ba)). The FBiH strategic document is titled as: Development of small and medium-sized businesses in the BiH Federation, developed in late 2008.



The goals and development (incentive) measures of the Federal strategic document as structural contents and the intention of a high-level authority the Zenica's document is harmonized with include:

**The goals of development of small and medium-sized entrepreneurship in the Federation of Bosnia and Herzegovina (p. 137)**

1. strengthening of competitive capacities of small and medium-sized businesses,
2. reducing administrative obstacles,
3. balanced regional/cantonal development,
4. fostering of business climates and building a quality entrepreneurship infrastructure
5. strengthening of electronic business operations.

The incentive measures for development of small and medium-sized businesses (p. 138. )

1. business promotion,
2. education of all participants of the Program of support for small and medium-sized businesses,
3. financial support to entrepreneurs,
4. harmonization of the existing regulations with the needs of small and medium-sized businesses,
5. expert assistance to entrepreneurs,
6. support to technological development and developing business infrastructure (meeting the needs for business premises, consultancy, information etc.)
7. encouraging business-to-business cooperation and linking the small and medium-sized businesses and support for their collaboration with large companies.

On the page 145 of the Federal strategic document one could read: *Taking into account the current situation and needs in the BiH Federation, the following types of supporting economic infrastructure would be developed: Local development agencies/business centers, business incubators, technoparks and small business parks.*

On the page 151 of the Federal strategic document one could also read: *Since the increased competitive capacities lead to better marketing of products in both local and international markets, this also leads to higher employment and brings new competitors to the market. It is therefore justified to observe the effects of the implementation of the Project-given measures, as well as the failure to implement the measures, on the:*

- Competitive strengths of small and medium-sized businesses taken as a part of added value created by small and medium-sized companies in the total gross domestic product,
- share of small and medium-sized business in the total number of legal persons, and
- Share of the number of employees in small and medium-sized businesses in the total employment.

The harmonization with the provisions of the Law on Fostering Small Businesses (Draft Law adopted at the 31. session of the BiH Federation Parliament) is visible in Articles 4, 9, 13 and 16 of this Law.

This harmonization is very important because when implementing projects within development program of this specific sector, one could apply and get co-funding from BiH Federation which are regularly allocated by way of public calls for proposals through sectoral ministries: Ministry for Environment and Tourism and Ministry of Development, Entrepreneurship and Handicrafts of the BiH Federation.

The Development Strategy of BiH, under its strategic goal related to competitiveness, includes the continued improvement of industrial productivity and support for clusters and strengthening of value chains.

The BiH Development Strategy, under the strategic goal related to employment, includes the development of small and medium-sized companies and creation of new jobs through: Development of financial support instruments in SME development, securing financial support for SME start-ups and encouraging incubator development.

At the same time, under the strategic goal related to sustainable development, the BIH Development Strategy indicates the need for further development of agriculture based on utilization of natural competitive advantages and modernization of the agricultural production for enhancing its efficiency, competitiveness and the concept of sustainable development of rural areas, which is in conformity with the EU agricultural policies. With this regard, it indicates the need to improve the competitiveness in production, processing and trade, along with raising the level of quality and safety of local products through:

1. investments in agricultural homesteads/organizations and investments into modernization of existing and construction of new capacities for processing and upgrading of agricultural products;
2. due development of agricultural land;
3. establishing and improvement of cooperation in production and processing of agricultural products;
4. support for introduction of control and quality system, and
5. support to associations of agricultural producers.

When it comes to the FBiH Development Strategy 2012-2022, one could say that, in terms of strengthening the competitive capacities, it includes the following:

- Improving business environment
- Modernization and standardization of business operations
- Competitive exports and promotion of export
- Clusters
- Scientific-technological and business infrastructure
- Growth of and support for investments, support for foreign investments
- Enhancing the public-private partnership
- University-Industry collaboration



### 1.3. Programs, projects and measures

ECONOMIC DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
1.	Finalization and extension of Business Park Zenica 1	<b>Program:</b> Development of existing and setting up new business parks	<b>Goal No. 1.</b> <b>Objective 1.1:</b> To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022	X	X				Municipality of Zenica	Present and future business people
2.	Setting up database on suitable land for business parks			X					Zenica Municipality, Dpt. For Urban and Spatial Development	
3.	Developing feasibility study for potential business parks				X	X			Zenica Municipality, ZEDA	
4.	Commissioning of 1 business park in food processing industry						X		Zenica Municipality	
5.	Commissioning of another general-purpose business park						X			
6.	Measure: Construction and upgrading the ZEDA capacities and development role of Business Incubator and TechnoPark	<b>Program:</b> Enhancing institutional support and infrastructure to develop entrepreneurship	X	X	X	X	X	ZEDA, UNZE, Zenica Municipality		
7.	Setting up a JUR (development management unit within local administration)		X	X				Zenica Municipality		
8.	Erecting a building to accommodate development institutions (ZEDA, TechnoPark, new agencies) incl. administration, ICT development laboratories and other modern technologies			X	X	X	X	Zenica Municipality ZDC Government		
9.	Setting up a one-stop shop to assist the start-ups				X	X	X	Zenica Municipality, ZEDA		
10.	Establishing a development guarantee fund to encourage start-ups and development of SMEs			X	X	X	X	Zenica Municipality in cooperation with financial institutions		
11.	Setting up database of all businesses in the Zenica Municipality	<b>Program:</b> Invest in the best business ambience in BiH		X				Zenica Municipality		
12.	Developing plans for creation of the best local business environment in BiH		X					Zenica Municipality ZEDA		
13.	Measure: Defining and decision making on the stimulation packages for foreign/local investors (lower rents, fees...)		X	X				Zenica Municipality		
14.	Measure: Continued education and training of workforce and methods to deal with investors in pre-investment, investment and post-investment stage		X	X	X	X	X	Zenica Municipality, ZEDA		

ECONOMIC DEVELOPMENT PLAN										
Projects/measures		Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)
				2012	2013	2014	2015	2016		
15.	Setting up a database and network of successful Zenica-born business people operating abroad	<b>Program:</b> Invest in the best business ambience in BiH	<b>Goal No. 1.</b> <b>Objective 1.1:</b> To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022		X				Zenica Municipality	Present and future business people
16.	Setting up on-line investment guide and publishing its hard copy too			X	X	X	X	X	Zenica Municipality, ZEDA	
17.	Measure: Brand development-a competitive positioning of Zenica as an attractive location for new investments				X	X	X	X	Zenica Municipality, ZEDA	
18.	Measure: Setting up a LEF-Local Economic Forum (consultancy group of committed individuals working to improve a business ambience in Zenica)	<b>Program:</b> Promoting business spirit and partnership of all stakeholders in improving business ambience in Zenica	<b>Goal No. 1.</b> <b>Objective 1.1:</b> To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022	X	X	X	X	X	Zenica Municipality ZEDA	
19.	Measure: Educational and promotional programs to raise the entrepreneurial awareness (business idea competition, exhibition of ideas and innovations etc)			X	X	X	X	X	Zenica Municipality, ZEDA, ZDC Ministry of Industry, ZDC Ministry of Education	
20.	Measure: Improving a city image and joint activities in promotion of Zenica as a place of excellent business climate			X	X	X	X	X	Zenica Municipality, ZEDA	
21.	Measure: Introduction of regular meetings-exchanges between Mayor and business community			X	X	X	X	X	Zenica Municipality	
22.	Development of human resources-improving living standard for young experts-a study to be made of justification to build housing for young people				X	X	X	X	Zenica Municipality ZDC Government	
23.	Introducing the "Business person of the year" award in Zenica			X					Zenica Municipality	
24.	Project of promotion and upgrading of the general trade fair ZEPS and ZEPS Intermetal				X	X	X	X	X	
25.	Building of exhibition site	<b>Program:</b> Zenica, a city of exhibitions		X	X	X		Business System RMK Zenica Municipality ZE-DO kanton		
26.	The project of introduction of new specialized fairs				X	X	X	Business System RMK Zenica Municipality ZE-DO kanton		





ECONOMIC DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
27.	The project with concrete activities in development of collaboration of the local government and ArcelorMittal management aimed at starting up and development of small metal processing companies	<b>Program:</b> Development of and starting new manufacturing and processing SMEs based in the field of steel making and coal mining	<b>Goal No. 1. Objective 1.1:</b> To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022	X	X	X	X	X	Zenica Municipality Arcelor Mittal ZEDA	Present and future business people
28.	The project with concrete activities in developing collaboration between local government and Zenica Coal Mine aimed at starting small mining and coal processing companies (coal gasification, briquetting etc.)			X	X	X	X	X	Zenica Municipality, Rudnik mrkog uglja Zenica ZEDA	
29.	Measure: The technical and financial package to support development of metal industry SMEs	<b>Program:</b> Strengthening of metal processing sector and promotion of a slogan: "Zenica-a center of BiH metal industry"	<b>Goal No. 1. Objective 1.2:</b> To attract economic investments and help create at least 6.000 jobs until 2020	X	X	X	X	X	Zenica Municipality	
30.	Measure: Strengthening capacities of the Zenica University and Kemal Kapetanović Institute			X	X	X	X	X	University of Zenica	
31.	Measure: Developing partnership of TMZ and ArcelorMittal aimed at increasing the volume and quality of relations with local business people			X	X	X	X	X	Zenica Municipality, Arcelor Mittal	
32.	Regular organization of "Metal Industry BiH Forum" at ZEPS Intermetal			X	X	X	X	X	Foreign Trade Chamber Zenica Municipality ZEDA	
33.	Setting up a Zenica-based metal cluster				X	X			Zenica Municipality ZEDA	
34.	Measure: Establishing a wood excellence sector at TechnoPark-Zenica (setting up a wood furniture laboratories, educational programs, design promotion programs, design development services, making product-prototypes etc.)			<b>Program:</b> Development of wood processing and furniture manufacturing sector	X	X				
35.	Establishing a wood cluster		X					ZEDA, REZ-RDA, Zenica Municipality		
36.	Setting up an association of Zenica's trading companies	<b>Program:</b> Trade development			X				Association of business people-employers Zenica Municipality	
37.	Construction and development of capacities and equipment of Lukovo polje market place			X	X			JP Tržnica, Zenica Municipality, PC for Spatial Planning and Land Use		

ECONOMIC DEVELOPMENT PLAN											
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)		
			2012	2013	2014	2015	2016				
38.	Nemila-a trade and business center of the mini region- Drafting a regulation plan for the center of Nemila as a trade center of the mini region	Program: Trade development		X				Zenica Municipality	Present and future business people		
39.			Nemila-a trade and business center of mini region-upgrading the trade fair in Nemila and development of market place in Nemila		X					Zenica Municipality JP Tržnica	
40.	Matching the scientific institutions and local manufacturers	Program: Application of new and improvement of the existing technologies for faster economic development	Goal No. 1.  Objective 1.2: To attract economic investments and help create at least 6.000 jobs until 2022	X	X	X	X	X		ZEDA – TechnoPark, UNZE, ZDC Government	
41.				Measure: Subventions for educational programs aimed at development of human resources in scientific institutions and industry	X	X	X	X		X	ZEDA - TechnoPark, Zenica Municipality,
42.				Measure: Support for commercial valuation of innovating designs through innovator support package	X	X	X	X		X	ZEDA – TechnoPark, UNZE
43.				Measure: The incubation support project for ICT companies and development of service package for out-of-incubator companies	X	X	X	X		X	ZEDA – TechnoPark
44.				Measure: Support for usage of information-communication technologies (ICT) to raise competitive level of companies	X	X	X	X		X	
45.	Revision of a decision on declared businesses at short supply	Program: Development of businesses/sectors at short supply	X					Zenica Municipality			
46.	Introduction of a set of advantages for business at short supply		X	X	X	X	X				
47.	Measure: Promotion of urban tourist offer: Museums, parks, cinema, theatre, religious temples, events (Zenica Spring, Drama Festival, Čimburijada, Lastavica..)	Program: Tourism development	X	X	X	X	X	ZDC Tourist Organization, Zenica Municipality, ZEDA			
48.	Measure: Creation of preconditions for enhancing tourism based on extreme sports		X	X	X	X	X	Zenica Municipality, Klub ekstremnih sportova			
49.	Revision of the spatial planning documents for tourism development			X	X			Općina Zenica, PC for Spatial Planning and Land Use			



ECONOMIC DEVELOPMENT PLAN										
Projects/measures		Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)
				2012	2013	2014	2015	2016		
50.	Infrastructural furnishing of tourist sites (Vrnaduk, Bistričak, Smetovi)	Program: Tourism development	Goal No. 1.  Objective 1.2: To attract economic investments and help create at least 6.000 jobs until 2022	X	X	X	X	X	Zenica Municipality, ZDC Tourist Organization, City Museum	Present and future business people
51.	Construction of trim trails and cycle paths at suitable locations				X	X			Zenica Municipality	
52.	Developing of day-trip resorts in the municipal territory			X	X	X	X	X	Zenica Municipality, ZDC Tourist Organization	
53.	Setting up an entertainment park "Blue stone" (city park and/or Smetovi)							X	ZEDA, Zenica Municipality	
54.	Erecting a traditional structure with a purpose of trade (Bosnian House)					X	X		Zenica Municipality, ZDC Tourist Organization	
55.	Setting up a tourism info booth			X	X					
56.	Analysis of the Zenica's capacities for developing sports tourism and making promotional items			X	X	X				
57.	Analysis of the capacities and advantages offered by Zenica in terms of congress tourism-making promotional items			X	X	X				
58.	Analysis of potentials for development of cultural / historical tourism			X	X	X				
59.	Development of recreational and agro tourism at Smetovi, Lisac and Pepelari			X	X	X				
60.	Making a plan of rural-village tourism			X	X	X	X	X		
61.	Publishing a guide book on rural tourism potentials in the municipality			X	X					
62.	Construction of modern co-generation thermal plan at Business Park Zenica 1			Program: Launching economic activities in the field of energy efficiency and use of alternative power sources	Goal No. 2.  Objective 2.3: To improve the level of energy efficiency in the city by 20% until 2020	X	X			
63.	Developing a study on locations for mini and micro hydro power plants in the municipal territory		X						Zenica Municipality JP elektroprivreda BiH	
64.	Measure: Support for construction of mini hydro plants Janjići and Vranduk	X	X						Zenica Municipality JP elektroprivreda BiH	
65.	Measure: Incentives for starting and development of SME whose business is based on EE principles and production of material and equipment, or rendering services in that particular field	X	X			X			Zenica Municipality	

ECONOMIC DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
66.	Program: Support for economic activities in the field of economic efficiency and use of alternative power sources	Goal No. 2.  Objective 2.3: To improve the level of energy efficiency in the city by 20% until 2020	X	X				Zenica Municipality Private investors	Present and future business people	
67.			Support for solar power and wind power-based projects		X	X	X	X		Zenica Municipality
68.			Developing a study on the possibility of wind power harvesting in the municipal territory		X					Zenica Municipality
69.			Gasification of the municipality					X		Zenica Municipality Private capital
70.			Measure: Promotion of all activities related to energy efficiency	X	X	X	X	X		Zenica Municipality
71.			Measure: Support for projects of construction and rehabilitation of buildings in line with energy efficiency principles	X	X	X	X	X		
72.			Analysis of needs and possibilities making programs of "warming" of housing blocks, state buildings and private homes	X	X					
73.			Setting up a fund for financing of housing "warming" projects				X	X		
74.			Capacity building for energy efficiency sector at Zenica TechnoPark		X	X				
75.			Program: Support for development of rural areas, agriculture and food processing industry	Goal No. 1.  Objective 1.4: To secure support for creation of 200 economically viable agricultural homesteads in rural areas until 2017	X	X				
76.	Measure: Technical and financial support for development of agricultural production projects	X			X	X	X	X		
77.	Measure: Co-financing of introduction of standards and certification (HACCP, land and building certification...)					X	X	X	Zenica Municipality, ZDK	
78.	Measure: Support for NGO sector in development of agricultural business in the municipal territory				X	X	X	X	Zenica Municipality	
79.	Measure: Setting up a self-reliable homesteads and promotion of local agricultural production				X	X	X	X	Zenica Municipality,	
80.	Measure: Setting up and development of agricultural infrastructure (cold storage, lacto freeze, dryers, irrigation, packing facilities...)					X	X	X	Zenica Municipality, investors	



ECONOMIC DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
81.	<p>Program: Support for development of rural areas, agriculture and food processing industry</p>	<p><b>Goal No. 1.</b> <b>Objective 1.4:</b> To secure support for creation of 200 economically viable agricultural homesteads in rural areas until 2017</p>	X	X	X	X	X	Zenica Municipality	Present and future business people	
82.			X	X	X	X	X			
83.						X	X			
84.				X	X	X	X			
85.					X	X	X	Zenica Municipality		
86.					X			Zenica Municipality, JP Tržnica		
87.				X	X			Zenica Municipality,		
88.							X	Zenica Municipality, ZDC, SBC		
89.				X	X	X	X	Zenica Municipality		
90.				X	X					
91.							X			X
92.					X	X				

The projects and measures are classified into 14 programs for implementation of the economic development plan.

The following projects and measures are defined to help achieve the economic development goals:

Program: Development of existing and setting up new business parks	<ul style="list-style-type: none"> <li>Finalization and extension of Business Park Zenica 1</li> <li>Setting up database on suitable land for business parks</li> <li>Developing feasibility study for potential business parks</li> <li>Commissioning of 1 business park in food processing industry</li> </ul>
Program: Enhancing institutional support and infrastructure to develop entrepreneurship	<ul style="list-style-type: none"> <li>Construction and upgrading the ZEDA capacities and development role of Business Incubator and TechnoPark</li> <li>Setting up a JUR (development management unit)</li> <li>Erecting a building to accommodate development institutions</li> <li>Establishing a development guarantee fund to encourage start-ups and development of SMEs</li> </ul>
Program: Establishing a development guarantee fund to encourage start-ups and development of SMEs	<ul style="list-style-type: none"> <li>Setting up database of all businesses in the Zenica Municipality</li> <li>Developing plans for creation of best local business environment in BiH</li> <li>Measure: Defining and decision making on the stimulation packages for foreign/local investors (lower rents, fees...)</li> </ul>
Program: Promoting business spirit and partnership of all stakeholders in improving business ambience in Zenica	<ul style="list-style-type: none"> <li>Measure: Setting up a LEF-Local Economic Forum</li> <li>Measure: Educational and promotional programs to raise the entrepreneurial awareness</li> <li>Measure: Introduction of regular meetings-exchanges between Mayor and business community</li> <li>Human resources development</li> </ul>
Program: Zenica, a city of exhibitions	<ul style="list-style-type: none"> <li>Project of promotion and upgrading of the general trade fair ZEPS and ZEPS Intermetal</li> <li>Building of exhibition site</li> <li>The project of introduction of new specialized fairs</li> </ul>
Program: Development of and starting new manufacturing and processing SMEs based in the field of steel making and coal mining	<ul style="list-style-type: none"> <li>The project with concrete activities in development of collaboration of the local government and ArcelorMittal mgmt</li> <li>The project with concrete activities in developing collaboration between local government and Zenica Coal Mine aimed at starting small mining and coal processing companies</li> </ul>
Program: Strengthening of metal processing sector and promotion of a slogan: "Zenica-a center of BiH metal industry"	<ul style="list-style-type: none"> <li>Measure: Technical and financial support package for enhancing the development of metal industry SMEs</li> <li>Measure: Building capacities of the Zenica University and Kemal Kapetanović</li> <li>Setting up a metal cluster</li> </ul>
Program: Development of wood processing and furniture manufacturing sector	<ul style="list-style-type: none"> <li>Measure: Establishing a wood excellence sector at TechnoPark-Zenica</li> <li>Establishing a wood cluster</li> </ul>
Program: Trade development	<ul style="list-style-type: none"> <li>Setting up an association of Zenica's trading companies</li> <li>Construction and development of capacities and equipment of Lukovo polje market place</li> <li>Nemila-a trade and business center of the mini region</li> </ul>
Program: Application of new and improvement of the existing technologies for faster economic development	<ul style="list-style-type: none"> <li>Matching the scientific institutions and local manufacturers</li> <li>Measure: Subventions for educational programs aimed at development of human resources in scientific institutions and industry</li> <li>Measure: Support for commercial valuation of innovating designs through innovator support package</li> </ul>



Program: Development of businesses/sectors at short supply	<ul style="list-style-type: none"> <li>Revision of a decision on declared businesses at short supply</li> <li>Introduction of a set of advantages for business at short supply</li> </ul>
Program: Tourism development	<ul style="list-style-type: none"> <li>Measure: Promotion of urban tourist offer: Museums, parks, cinema, theatre, religions temples, events</li> <li>Revision of the spatial planning documents for tourism development</li> <li>Infrastrukturno opremanje turističkih lokaliteta</li> </ul>
Program: Pokretanje ekonomskih aktivnosti u oblasti energijske efikasnosti i korištenja alternativnih izvora energije	<ul style="list-style-type: none"> <li>Izgradnja savremene kogeneracijske termoelektrane u Poslovnoj zoni Zenica 1</li> <li>Mjera: podrška izgradnji mikro-hidroelektrana</li> <li>Podrška projektima korištenja solarne energije i energije vjetra</li> <li>Gasifikacija Opæine</li> </ul>
Program: Podrška razvoju ruralnih područja, poljoprivrede i prerađivačke prehrambene industrije	<ul style="list-style-type: none"> <li>Izrada Studije poljoprivrednog razvoja opæine Zenica</li> <li>Mjera: Tehnička i finansijska podrška razvoju projekata za poljoprivrednu proizvodnju</li> <li>Mjera: Sufinansiranje uvođenja standarda i certifikacije</li> </ul>

#### 1.4. Assessment of the expected outcomes with indicators

Economic development goals	Indicators of objectives at the sectoral level	Indicators at the program-project level
<b>Objective 1.1:</b> To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022	Number of companies per one thousand inhabitants	Number of entrepreneurs who started their businesses with the support of local government
<b>Objective 1.2:</b> To attract economic investments and help create at least 6.000 jobs until 2022	Number of new jobs created in newly started industrial capacities	<ul style="list-style-type: none"> <li>Duration of business registration procedures</li> <li>Size of newly equipped business parks</li> <li>Number of new industrial investments</li> </ul>
<b>Objective 1.3:</b> To implement the energy investments with a major engagement of local workforce	A volume of accomplished new investment in energy sector	<ul style="list-style-type: none"> <li>Number of new jobs created in energy investment projects</li> <li>Number of new jobs created in newly started energy capacities</li> </ul>
<b>Objective 1.4:</b> To secure support for creation of 200 economically viable agricultural homesteads in rural areas by 2017	Number of households in rural areas that started market-related and sustainable business activities	Number of agricultural homesteads actively involved in the program of development of self-sustainable agricultural homesteads

## 2. ENVIRONMENT PROTECTION PLAN

### 2.1. Focusing

#### 2.1.1. Environment Protection SWOT analysis

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##### Strengths:

- Abundant water resources (rivers and wells)
- Rich forest resources
- A great number of drinking water wells
- 65% of the municipal population connected to the central water supply system
- Stable water supply of urban areas
- Vast areas under forests
- Natural heritage in the municipal outskirts (Bistričak, Smetovi, Pepelari, upper course of Babina rijeka)
- Functional Regional sanitary landfill Moščanica
- District heating system in operation
- TechnoPark Zenica established
- Established college program of ecological engineering with the environment monitoring laboratory at the Zenica University
- NGOs implementing the environment protection programs for many years now
- Municipal LEAP developed
- Environment monitoring for air, water, soil and noise in place

##### Weaknesses:

- Contaminated land in suburban areas, devastated mining areas
- Endangered environment, underdeveloped environment management
- Low level of knowledge and environment awareness
- Limitations caused by lack of funds
- A lack of certified environment quality monitoring laboratory
- Weak cooperation with environment-focused NGOs
- A non-existing waste management plan at the municipal level
- Non-existing spatial-planning documentation
- Air pollution and non-existing air quality management plan
- Obsolete steel making technology
- Underdeveloped water course beds
- Non-established sanitary protection areas around the water supply wells
- Non-existent sewer system in 40 rural settlements
- Non-existing waste water treatment plants
- Large number of landslides
- Excessive and illegal logging
- Illegal building activities
- Non-existing animal shelter
- Wild dumps
- Industrial waste and waste-rock dump *Rača*
- Unrehabilitated communal waste disposal site *Side*
- The mineral raw material exploitation problems
- Coal Mine's dumps – so-called red zones where no building is allowed
- Quarry in Babino (there is a threat of the rock falling down into the river and blocking the road to rural settlements located in that area)
- Low usage of alternative energy sources (water and wind)
- Water pollution and non-existing water protection plan
- Non-existing environment management planning documentation

##### Opportunities:

- Introduction of environment management mechanisms and instruments
- A large reduction of environment pollution by construction of a gas-fired power plant
- Investments in raising energy efficiency
- Pre-accession EU funds
- Existing international donor and credit institutions
- Inter-municipal cooperation
- NGOs as a development potential (joint projects, implementation of population education programs in collaboration with NGOs etc)
- Drafting new legal regulations (to change or adjust)
- MIZ – development of environment management system
- Tourism development
- Energy efficiency
- Building of gas-fired thermal plant
- Continuation of gasification project (gas supply line Bosanski Brod-Doboj-Zenica)
- Coal gasification
- Using renewable sources of energy
- Setting up an integrated waste management system
- Education of population with the aim of raising environment awareness
- Major improvements of environment quality by LEAP implementation
- Decontamination of agricultural land

##### Threats:

- Lagging of BiH in the EU integration processes, a delay in getting the EU-candidate status (inability to use the funds for transport, competitiveness, environment, development of human resources and rural development)
- Activated landslides due to natural disasters
- Limited spatial resources (caused by specific relief configuration)
- Global pollution impacts
- Climate changes
- Natural disasters
- Global economic downturn
- Weak coordination between high-level authorities and municipality
- Effective legal regulation not complied with
- Inadequate legal and institutional framework
- The planning documents for air pollution reduction at ArcelorMittal Company not implemented as envisaged in the action plan





## 2.2. Environment Protection Objectives

**The following environment protection objectives are identified:**

- Objective 2.1:** To finalize the waste management system by 2017
- Objective 2.2:** To bring the pollution of water, air and soil to the legally prescribed limits by 2018
- Objective 2.3:** To improve the level of energy efficiency in the city by 20% until 2022
- Objective 2.4:** To revitalize 70% of the devastated areas and contaminated land and to rehabilitate landslides
- Objective 2.5:** To improve and finalize the spatial and development management system in Zenica

The environment protection objectives are related to the strategic goals, but their implementation is closely related to the goals focused on social development and economic development:

- Objective 1.3:** To implement the energy investments with a major engagement of local workforce
- Objective 1.4:** To secure support for creation of 200 economically viable agricultural homesteads in rural areas by 2017
- Objective 3.1:** Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017
- Objective 3.2:** A major improvement of communal and traffic infrastructure (quantified by related programs and projects)
- Objective 4.1:** To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2012

### 2.2.1. Integration with the higher-level strategic documents

The major strategic document related to environment protection at the BiH level is Action Plan for Environment Protection in Bosnia and Herzegovina (NEAP BiH). Eight priorities of the NEAP include:

- Water resources/waste waters
- Sustainable rural development
- Environment management (information system/integrated planning/education)
- Protection of biological and landscape diversity
- Waste/waste management
- Economy/sustainable economic development
- Public health
- Mine clearance

Otherwise, the topics of *Legal and institutional strengthening* and *Making base documents for environment planning and management* - are recognized as a prerequisite for implementation of the planned activities in other topics.

Sectoral goals are related to the priority topic 3: Environment management (information system/integrated planning/education), to the priority topic 1: Water resources/waste waters and to the priority topic 5: Waste/waste management. Also, there is a link to the priority topic 4: Protection of biological and landscape diversity.

Integration of sectoral goals is linked to the priority topic 3: Environment management (information system/integrated planning/education) because the efficient environment management secures efficient protection and utilization of the environment.

A number of measures under the priority topic 6: Economy/sustainable economic development could be linked to the strategic goals of economic, social and environment sectors. One of the priority measures the sectoral goals of environment development are related to is a development of energy sector strategy to balance the local energy resources (hydro, thermal and geothermal potentials) and the potential foreign power resources (oil, gas) and adopt a policy of their balanced usage by defining development directions and possible development volume, to put in use new energy sources (geothermal waters, wind, sun, peat) all designed for using one's own renewable sources to the extent possible. Sectoral goals are particularly linked to the priority topic of usage of energy within the aforesaid sector of Economy/sustainable economic development.

Integration of sectoral goals is also linked to the priority topic 3: Environment management (information system/integrated planning/education).

Priority fields within the topic Water resources/waste waters, the sectoral goals are closely tied to, include: construction and rehabilitation of the waste water treatment and sewer system and bringing the flood protection system to the safety level required.

One of two priority fields within the topic Waste/waste management, is removal of wild dumps and rehabilitation of degraded areas, and it matches the sectoral one.

Some priority fields within the topic Waste/waste management, that match the setoral goals include:

- To finalize the waste collection and processing system
- To develop a cadastre of wild dumps and to remove and rehabilitate wild dumps
- To ensure selective waste collection
- To create preconditions for recycling and processing of useful components from waste
- To rehabilitate and close down the Side disposal site

Another major strategic document in this field adopted at the entity level is Strategy of Environment Protection in the Federation of Bosnia and Herzegovina (adopted in January 2009). Sectoral goals may be integratd with the strategic goal 7.1 - Reduction of environment and health risks and setting up a priority infrastructure for integrated waste management, or with the objectives 7.1.1 - To increase a number of inhabitants covered by the organized waste collection and 7.1.3 – To remove illegal dumps and rehabilitate areas where they used to be. Having in mind that the sectoral goals also relate to upgrading of the waste management system, it is important to mention a strategic goal 7.2 - To reduce a volume of waste for final disposal, where, out of a number of objectives, we could single out the objective 7.2.1 - To set up a system of separate collection of communal waste in all municipalities in FBiH. Sectoral goals could be tied to particular objectives within the strategic goal under topic 4 – Environment Protection, whereas, they also match the strategic goals 6. 1 – Emission Reduction and 6.3 - Improved usage of energy under topic 6 - Air Protetion. In the Strategy of Environment Protection in FBiH, under strategic goal 6.3 (p. 92) it reads: The future consumption of energy must be rationalized, particularly when it comes to individual consumption and services, city organizations, transportation sector and housing sector.



Federal Strategy of Water Protection, i.e. water management is developed separately, and the Federal Ministry of Agriculture, Water Management and Forestry was tasked to develop it. The draft version of this document was adopted by the FBiH Government in June 2010.

A strategic goal in the field of water usage under this document related to the sectoral goals. When it comes to the objectives, the sectoral goals are closely related to the objective 9 – Increase in public water system coverage from the present 60% to approximately 80% at the end of the period covered by the Strategy. The key objectives in the field of water protection that is primarily tied to the sectoral goals is the objective 14 - Reduction of pollution from urban/sanitary and waste waters. Strategic goal 10 – Increase of the inadequate level of protection from harmful effects of waters also matches the sectoral goals.

**2.3. Programs, projects and measures**

ENVIRONMENT PROTECTION PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012.	2013.	2014.	2015.	2016.			
1.	To extend the waste collection system to the whole municipal territory	<b>Program:</b> Productive waste management  <b>Goal No. 2.</b> <b>Objective 2.1:</b> To finalize the waste collection and processing system by 2017	X	X	X	X	X	Zenica Municipality	All zenica's inhabitants	
2.	Selective collection of useful components from waste		X	X	X	X	X	Zenica Municipality ALBA Zenica RDM		
3.	Preparation for and attraction of investment for waste recycling and processing		X	X	X	X	X	Zenica Municipality		
4.	Education of population to raise eco-awareness and knowledge of waste		X	X	X	X	X	Zenica Municipality REC Zenica		
5.	Upgrading the regional landfill Mošćanica		X	X	X	X	X	RDM		
6.	Developing a Cadastre of wild dumps and systematic removal and rehabilitation of wild dumps		X	X	X	X	X	Zenica Municipality REC Zenica RDM ALBA Zenica		
7.	Building of protection dam/nets to collect waste floating in the River Bosna/at Janjići				X	X	X	Kanton, Zenica Municipality		
8.	Rehabilitation and re-cultivation of Side landfill		X	X				Zenica Municipality RDM		
9.	Developing a plan and setting up an air quality system	<b>Program:</b> „Cleaner air“  <b>Goal No. 2</b> <b>Objective 2.2:</b> To bring the pollution of water, air and soil to the legally prescribed limits	X	X	X	X	X	Općina Operativni štab UNZE	Citizens in general	
10.	Erecting a co-generation gas-fired thermal plant		X	X	X	X	X	KTG Zenica		
11.	Reconstruction of the existing hot water pipelines and sub-stations, installation of heat meters, developing a plan of extension of the hot water pipelines and increase the number of consumers		X	X	X	X	X	JP Grijanje Zenica Municipality		
12.	Extending the heating system onto the suburban areas to eliminate local solid fuel combustion places		X	X	X	X	X	JP VIK Zenica Municipality		
13.	Setting up a bio-mass district heating in the neighborhood of Nemila		X	X	X			Zenica Municipality, JP Grijanje, ZEDA, JP Zenica		



ENVIRONMENT PROTECTION PLAN										
Projects/measures		Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)
				2012.	2013.	2014.	2015.	2016.		
14.	Connection of businesses to district heating system to eliminate local solid fuel-fired boilers	<b>Program:</b> "Cleaner air"	<b>Goal No. 2.</b> <b>Objective 2.2:</b> To bring the pollution of water, air and soil to the legally prescribed limits by 2018	X	X	X	X	X	JP Grijanje Zenica Municipality	Businesses, citizens
15.	To put in place the certified environment monitoring laboratories			X	X	X	X	X	UN ZE Zenica Municipality	Citizens in general
16.	Setting up an air quality monitoring system as per monitoring plan			X	X	X	X	X		
17.	Reconstruction of city sewer system to separate communal from rain waters	<b>Program:</b> Water use and protection		X	X	X	X	X	JP VIK Zenica Municipality	
18.	Separation of the communal sewer system from the industrial sewer in Arcelor Mittal Zenica			X	X	X	X	X		
19.	Building a central waste water treatment plant			X	X	X	X	X		
20.	Extension of sewer system to include suburban areas and those not connected to the system			X	X	X	X	X		
21.	Building a communal sewer system with the waste water treatment plants for each watershed area			X	X	X	X	X		
22.	Rehabilitation of the Zenica water system and its extension to the suburban areas			X	X	X	X	X		
23.	Building of Blue Water Pipelines			X	X	X	X	X		
24.	Building of new and rehabilitation of old rural water pipelines		X	X	X	X	X			
25.	Development of cadastre of wells and local pipelines, protection of wells and education of population		X	X	X	X	X	-Zenica Municipality -Zavod za javno zdravstvo -REC Zenica		
26.	Drinking water safety monitoring system		X	X	X	X	X	-JP VIK -UNZE		

ENVIRONMENT PROTECTION PLAN											
Projects/measures		Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
				2012.	2013.	2014.	2015.	2016.			
27.	Building GGM and roundabouts with connecting and servicing roads	Program: Improvement of traffic infrastructure and public services	Goal No. 3.  Objective 3.2: To greatly improve the communal and transport infrastructure	X	X	X	X	X	Zenica Municipality	Citizens in general	
28.	Development of Cadastre of local roads and road network inventory			X	X	X	X	X			
29.	Rehabilitation and asphalt laying on the local macadam roads			X	X	X	X	X			
30.	Modernization of public transport in Zenica municipality			X	X	X	X	X			
31.	Tackling the car parking issue in Zenica			X	X	X	X	X			
32.	Building bridges across the River Bosna (L. Polje, K. Polje)			X	X	X	X	X			
33.	Reconstruction of the existing street lighting			X	X	X	X	X			
34.	Construction of new street lighting in suburban and rural areas			X	X	X	X	X			
35.	Animal shelter and hygienic services			X	X	X	X	X			
36.	Upgrading a city display and purchase of new displays capable of showing the air pollution level			X	X	X	X	X			
37.	Developing of cadastre and rehabilitation of the traffic signalization			X	X	X	X	X			
38.	Development of cadastre and rehabilitation of public green areas			X	X	X	X	X			
39.	Rehabilitation of the city cemeteries (the land usurpation issue at the Crkvice cemetery, landslides rehabilitation, mending fences, public lighting at Prašnice cemetery, specifying competences for in-city passive cemeteries, the maintenance of memorials...)					X	X	X			X
40.	Rehabilitation of the city fixtures					X	X	X	X		X



ENVIRONMENT PROTECTION PLAN										
Projects/measures		Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)
				2012.	2013.	2014.	2015.	2016.		
41.	Development of SEAP (Saving Energy Action Plan)	<b>Program:</b> Energy efficiency	<b>Goal No. 3.</b> <b>Objective 2.3:</b> To improve the level of energy efficiency in the city by 20% until 2022	X	X	X	X	X	Zenica Municipality ZEDA	Citizens in general
42.	Improvement of EE in public buildings			X	X	X	X	X	Zenica Municipality	
43.	Education of the target groups on ways and importance of energy savings in all segments of consumption of electricity			X	X	X	X	X	Zenica Municipality ZEDA	
44.	Setting up an EE management information system			X	X	X	X	X		
45.	Development of feasibility study on use of alternative sources of energy (coal gasification, use of methane from coal mine pits...)				X	X			Zenica Municipality UNZE ZEDA	
46.	Development of cadastre of landslides in Zenica municipality	<b>Program:</b> Soil revitalization and rehabilitation	<b>Goal No. 2.</b> <b>Objective 2.4:</b> To revitalize 70% of the devastated areas and contaminated land and to rehabilitate landslides	X	X	X	X	X	Zenica Municipality	
47.	Rehabilitation of landslides in Zenica municipality according to priority list			X	X	X	X	X		
48.	Rehabilitation and re-cultivation of the areas devastated by surface coal exploitation and disposal of waste-rocks (the ones not in operation any more and now under local government)			X	X	X	X	X		
49.	Monitoring of the content of heavy metals and other harmful substances in the soil			X	X	X	X	X	Zenica Municipality UNZE	
50.	Development of a study on decontamination and protection of soil with a clear map of contamination zones			X	X	X	X	X	Zenica Municipality	
51.	Implementation of measures to improve soil safety for agricultural production (calcification and humification)			X	X	X	X	X		
52.	Remediation of a contaminated soil by applying new technologies of fitoremediation etc.			X	X	X	X	X	Zenica Municipality UNZE	

ENVIRONMENT PROTECTION PLAN											
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)		
			2012.	2013.	2014.	2015.	2016.				
53.	Development of a study and plan of protection of natural resources in Zenica	Program: Spatial and urban development management	Goal No. 2. Objective 2.5. To improve and complete the spatial and land management system by 2015	X	X	X	X	X	Zenica Municipality UNZE	Citizens in general	
54.				Development of Zenica spatial plan	X	X	X	X	X		Zenica Municipality
55.				Development of Zenica urbanization plan	X	X	X	X	X		
56.				Development of detailed plans (regulation-implementation plans)	X	X	X	X	X		
57.				Setting up a "Babino Natural Park"		X	X				Zenica Municipality ZDC
58.				Development of a plan of management for Bistričak and Smetovi	X	X					
59.	Development of integrated environment management plan	Program: Environment management		X	X	X	X	X	Zenica Municipality UNZE		
60.				Setting up an environment management plan in all aspects of environment	X	X	X	X	X		
61.				Setting up a team of experts or an environment management agency	X	X	X	X	X	Zenica Municipality UNZE ZEDA	

The projects and measures listed under 8 programs are defined for environment protection plan implementation:

**Program: Productive waste management**

- To extend the waste collection system to the whole municipal territory
- Selective collection of useful components from waste
- Education of population to raise eco-awareness and knowledge of waste
- Preparation for and attraction of investment for waste recycling and processing
- Developing a Cadastre of wild dumps and systematic removal and

**Program: "Cleaner air"**

- Developing of a plan and setting up an air quality system
- Erecting a co-generation gas-fired thermal plant
- Reconstruction of the existing hot water pipelines and sub-stations
- Extending the heating system onto the suburban areas to eliminate local solid fuel combustion places
- Setting up a bio-mass district heating in the neighborhood of Nemila
- Connection of businesses to district heating system to eliminate local solid fuel-fired boilers

**Program: Water use and protection**

- Reconstruction of city sewer system to separate communal from rain waters
- Separation of the communal sewer system from the industrial sewer in the company Arcelor Mittal Zenica
- Building a central waste water treatment plant
- Building of Blue Water Pipelines
- Building of new and rehabilitation of old rural water pipelines
- Drinking water safety monitoring system





**Program: Improvement of traffic infrastructure and public services**

- Building GGM and roundabouts with connecting and servicing roads
- Development of Cadastre of local roads and road network inventory
- Rehabilitation and asphalt laying on the local macadam roads
- Tackling the car parking issue in Zenica
- Building bridges across the River Bosna
- Animal shelter and hygienic services
- Development of cadastre and rehabilitation of public green areas

**Program: Energy efficiency**

- Development of SEAP
- Improvement of EE in public buildings
- Education of the target
- Groups on ways and
- Importance of energy savings
- In all segments of consumption of electricity
- Setting up an EE management information system
- Development of feasibility study on use of alternative sources of

**Program: Soil revitalization and rehabilitation**

- Development of cadastre of landslides in Zenica municipality
- Rehabilitation and re-cultivation of the areas devastated by surface coal exploitation
- Monitoring of the content of heavy metals and other harmful substances in the soil
- Remediation of a contaminated soil by applying new technologies
- Development of a study and plan of protection of natural resources
- Implementation of measures to improve soil safety level

**Program: Spatial and urban development management**

- Development of a study and plan of protection of natural resources
- Development of Zenica spatial plan
- Development of Zenica urbanization plan
- Setting up a "Babino Natural Park"
- Developing detailed plans (regulation-implementation plans)
- Development of a plan of management for Bistričak and Smetovi

**Program: Environment management**

- Development of integrated environment management plan
- Setting up an environment management plan in all aspects of environment
- Setting up a team of experts or an environment management agency

## 2.4. Assessment of the expected outcomes with indicators

Environment Protection Objectives	Indicators at the sectoral level	Indicators at the program-project level
<b>Objective 2.1:</b> To finalize the waste management system by 2017	Tons of secondary raw material collected	<ul style="list-style-type: none"> <li>• Number of rehabilitated wild dumps in the municipal territory</li> <li>• Number of neighborhoods involved in the organized waste collection</li> <li>• Solid waste selection started</li> </ul>
<b>Objective 2.2:</b> To bring the pollution of water, air and soil to the legally prescribed limits by 2018	<ul style="list-style-type: none"> <li>• % of population covered by quality water supply</li> <li>• % of treated waste and rain waters</li> <li>• % of harmful gas emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented project of regional water supply system (Blue water)</li> <li>• % of water leakage reduction</li> <li>• Number of households connected to the sewer system</li> <li>• Number of km of the sewer network built</li> <li>• Reduced number of direct sewer discharge outlets into water courses or soil</li> <li>• Air pollution measurement mechanisms introduced</li> </ul>
<b>Objective 2.3:</b> To improve the level of energy efficiency in the city by 20% until 2022	<ul style="list-style-type: none"> <li>• Number of structures reconstructed to reduce energy losses (energy efficiency measures for buildings implemented)</li> <li>• % of energy cost reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Number of district heating sub-stations reconstructed</li> <li>• Number of heat meters installed</li> <li>• % of heat energy consumption reduction</li> </ul>
<b>Objective 2.4:</b> To revitalize 70% of the devastated areas and contaminated land and to rehabilitate landslides	% of areas forested with quality forest seedlings	<ul style="list-style-type: none"> <li>• Rehabilitation and re-cultivation of the deserted disposal site</li> <li>• Number of hectares of barren forest land forested</li> </ul>
<b>Objective 2.5:</b> To improve and finalize the spatial and development management system in Zenica by 2015	Development plans and spatial plans harmonized	<ul style="list-style-type: none"> <li>• Well-defined spatial planning documents</li> <li>• Development management structure in place</li> </ul>



### 3. SOCIAL DEVELOPMENT PLAN

#### 3.1. Focusing

##### 3.1.1. Sectoral SWOT Analysis of the Social Development

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**Strengths:**

- Administrative and cultural center of Canton, regional development center
- University city with a tradition of scientific and development research
- Sports, cultural and exhibition infrastructure, good image in organizing sports and exhibition events
- Valuable cultural heritage and rich elements of culture
- Institutional prerequisites for development planning and management
- Institutional prerequisites for social care
- Developed non-governmental sector

**Weaknesses:**

- Huge administrative apparatus, poor relations and inefficient collaboration between municipality, canton and state
- A drop in birth rate and demographic ageing
- Social deformations characteristic of larger BiH communities (criminal, drugs etc.)
- The lack of professional staff in sports and health care
- Disharmony between the industrial needs and plans and supply offered by formal educational system
- Unequal conditions for developing programs of pre-school education in rural and urban neighborhoods
- Inaccessible housing for youth and middle-aged
- Most NGOs not self-sustainable in terms of organization and finances, and have under-developed human resources

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**Opportunities:**

- Leadership in construction of development infrastructure, project management and usage of local and international funds
- Using the forthcoming program of support and rural development funds
- Inclusion of non-governmental and private sector in rendering public services
- Pre-accession EU funds and other development programs of the international community
- Taking advantage of the status earned by the local community as an educational, administrative, economic, cultural and sports center

**Threats:**

- Increased poverty as a result of unemployment and structurally inadequate economy
- Higher rate of crime in general
- The increased brain-drain in younger population
- Uncertainty of decisions and transfers from higher-level authorities related to local government roles and finances

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Development of social sector in TMZ is as important as the municipal economic development. A continued position of Zenica as an university, cultural and sports center is strongly based on the existing institutions and human resources.

Zenica, as the administrative center of the Canton, has major resources in science, culture and sports that could contribute to further development and shall be put in use in order to meet the needs of population living outside ZDC.

There is a critical number of institutions that make it possible for Zenica to take the leading role in education, sports and culture.

In order to neutralize the present weaknesses, the local institutions and organizations need to establish better cooperation with the higher-level institutions.

Continued efforts are needed to improve the pre-school education system and extend the level of its accessibility onto all municipal neighborhoods.

Also, the continued work is needed to improve the education system, to match it with the businesses and harmonize the education with the needs of businesses and labor market.

Housing projects needs to be put in place for young couples.

The existing institutions need to continue developing their capacities for preparation and implementation of the projects financed from the rural development funds and EU accession funds.

Public administration needs to develop a system that will make it possible for private sector to start rendering public services.

### 3.2. Social Development Objectives

The following social development objectives are identified:

**Objective 3.1:** Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017

**Objective 3.2:** A major improvement of communal and traffic infrastructure (quantified by related programs and projects)

**Objective 3.3:** Reduction of social exclusion of the most vulnerable groups of population and developing a social card by 2015

**Objective 4.1:** To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2012

**Objective 4.2:** By 2022 Zenica is a top regional university center and regional center of sports and cultural events

The social development goals are related to the strategic goals, but their implementation is closely related to the goals focused on economic development and environment protection:

**Objective 1.1:** To achieve a ratio of at least 40 small and medium-sized companies for 1.000 inhabitants by 2022

**Objective 1.2:** To attract economic investments and help create at least 6.000 jobs until 2022

**Objective 1.3:** To implement the energy investments with a major engagement of local workforce

**Objective 1.4:** To facilitate creation of critical number of sustainably homesteads in rural areas

**Objective 2.1:** To bring the pollution of water, air and soil to the legally prescribed limits by 2018

**Objective 2.2:** To improve the level of energy efficiency in the city by 20% until 2022

#### 3.2.1. Integration with the higher-level strategic documents

The draft BiH Strategy of Social Inclusion puts a special emphasis on the social integration through participation in labor market. In this view, the Strategy defines several strategic directions essential for the municipality with regard to the specific sectoral focus:

- To ensure inclusion of socially excluded categories into active labor market and
- To ensure access to all goods, services, resources and rights that would improve the active participation of the socially excluded in the labor market.



In addition, the Strategy defines other priorities of importance for social development in the municipal territory:

- To develop capacities of social care service providers at the local level,
- To enhance mechanisms of social dialogue and develop partnership and participation of all relevant stakeholders, and
- To develop social care networks through strengthening of inter-sectoral cooperation with the health care, education, labor market institutions and NGOs.

The Pre-School Education Law impose an obligation to the local government to ensure preconditions for equal accessibility to quality pre-school education programs for all children in all parts of the municipality.

The Development Strategy of BiH, within the strategic goal related to competitiveness, includes the continued improvement of industrial productivity and support for clusters and strengthening of value chains.

When it comes to Development Strategy of FBiH 2010 – 2020, one could say that within the strengthening of competitive capacities, it includes the initiatives relevant for the Zenica Development Strategy:

- Competence of human resources,
- Scientific-technological and business infrastructure, and
- University – Business Cooperation

**3.3. Programs, projects and measures**

SOCIAL DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
1. Council for education-business matching	<b>Program:</b> Cooperatin of businesses, UNZE and KK Intitute	<b>Goal No. 4.</b> <b>Objective 4.1:</b> To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2013	X	X	X	X	X	UNZE, Zeda, Ministry of Education, Municipality	Young educated people	
2. Setting up a database of successful Zenicans living and working abroad					X	X	X	X	NGO, Zenica Municipality	All citizens, businesses and social stakeholders
3. Analysis of labor market demand including analysis of the skills needed (annually)				X	X	X	X	X	Employment Bureau, University, Chamber of Commerce	Unemployed
4. Continued education of the MZ activists to prepare them for the work at MZs	<b>Program:</b> Training and re-education		X	X	X	X	X	Competent municipal departments	MZ activities and all citizens indirectly	
5. Developing a "Lifelong learning" project to educate and re-educate adults for employment			X	X	X	X	X	Schools, Zeda, Municipal departments	Unemployed adults or job seekers	
6. Council for education, culture and sport	<b>Program:</b> Culture, Sport and Tourism Promotion	<b>Goal No. 4.</b> <b>Objective 4.2:</b> By 2022 Zenica is a top regional university center and regional center of sports and cultural events	X	X	X	X	X	Municipality, Educational and sports orgnaizations	Citizens	
7. Zenica Spring Festival			X	X	X	X	X	Zenica Municipality	Zenica Citizens	
8. Spiritual Music Festival			X	X	X	X	X	KUD Preporod		
9. Children and Youth Film Festival			X	X	X	X	X	Zenica Municipality	Children and youth	
10. Sevdah Festival			X	X	X	X	X	UG Biseri Sevdaha, Museum	Cultural societies, citizens	
11. Development of cultural societies (KUD), ethno-festivals etc.			X	X	X	X	X	KUD Bosnia Folk KUD Željezara and other	Members of cultural societies, citizens	
12. Children's Festival "When music plays"			X	X	X	X	X	Teachers, students of Primary Music School and "Dječija Nota" Association	Pre-school children, primary music school students	
13. Street Festival			X	X	X	X	X	NGOs and cultural societies, Municipality	Zenica Citizens	
14. BiH Drama Festival			X	X	X	X	X	Bosnian National Theatre Zenica	Theatre audience, theatre community in Zenica	
15. MESS Festival in Zenica			X	X	X	X	X	Bosnian National Theatre Zenica	Theatre audience, theatre community in Zenica	



SOCIAL DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
16. Traditional New-Year's Concert of the Symphonic Orchestra	Program: Culture, Sport and Tourism Promotion	Goal No. 4. Objective 4.2:	X	X	X	X	X	Chamber Symphonic Orchestra	Teachers and students of music schools in Zenica, musicians from other cities	
17. Eco-Cartoons Biennale			X	X	X	X	X	Zenica City Museum	All citizens	
18. Establishing a City Art Gallery					X	X	X			
19. Omelet Festival			X	X	X	X	X	Zenica Citizens' Forum Zenica Municipality Tourist Organization		
20. Lastavica			X	X	X	X	X	UG Lastavica		Muslims
21. International Basketball Tournament – Kengur Cup			X	X	X	X	X	Basketball Club Kengur		Children in primary and secondary schools
22. Building of sport facilities in local neighborhoods	X	X	X	X	X	Local neighborhoods and Zenica Municipality				
23. Sport-recreational playfield for children with disabilities	Program: Improving cultural, sports and health infrastructure in local MZ	Goal No. 3. Objective 3.1: Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017		X				Zenica Municipality, Special Primary School	Children with disabilities	
24. Terms of Reference with Timeline for adaption of Community buildings in suburban and village communities			X	X				Zenica Municipality JP Zenica	Inhabitants of suburban and rural communities	
25. Family outpatient unit Tišina			X	X				Zenica Municipality i Health Care Center Zenica	Local population	
26. Family outpatient unit Arnauti			X	X						
27. Family outpatient unit Mokušnice				X	X					
28. Family outpatient unit Šerići					X					
29. Analysis of the justification to set up an outpatient unit with pharmacy at Vranduk			X							
30. Primary School Basketball League	Program: Improving infrastructure and public services	Goal No. 3. Objective 3.2: A major improvement of communal and traffic infrastructure (quantified by related programs and projects)	X	X	X	X	X	Primary schools, Zenica Municipality		Children in primary and secondary schools, visitors and parents
31. International Track and Field Meeting Zenica			X	X	X	X	X	Athletic Club	Athletes of all ages and categories	
32. Support for sport schools (basketball, football, volleyball, handball, athletics)			X	X	X	X	X	Sports Association, Zenica Municipality	Young athletes	

SOCIAL DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
33.	Small Olympiad	<b>Program:</b> Improving infrastructure and public services  <b>Goal No. 3.</b> <b>Objective 3.1:</b> Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017  <b>Objective 3.2:</b> A major improvement of communal and traffic infrastructure (quantified by related programs and projects)	X	X	X	X	X	Sports Teachers Society	Primary and secondary school students	
34.	Reconstruction of Bilino polje Stadium		X	X				Zenica Municipality, NK Čelik, BiH Football Federation	Athletes, Visitors	
35.	Building of Rugby Compound		X	X	X			PC for Sports Facility Mgmt, Rugby Federation		
36.	Rehabilitation of Papirna Sports Hall as gymnastics site – setting up a gymnastics club		X	X	X	X	X	Sports Association of the Zenica Municipality	Young Zenica's citizens	
37.	AquaPark				X	X		PC for Sports Facility Mgmt	Athletes All Citizens	
38.	Introducing mechanisms of ongoing monitoring of public services aimed at raising its quality level		X	X	X	X	X	Municipal departments	Citizens	
39.	Expert analysis of the needs to establish a sports study class at the Gymnasium			X	X			Zenica Municipality ZDC Government	Citizens Primary School graduates	
40.	Reconstruction of the Bosnian National Theatre building			X	X	X	X	Bosnian National Theatre Zenica and Zenica Municipality	Theatre audience and cultural events visitors in Zenica and wider region	
41.	Feasibility study for Technological Museum			X	X			Zenica City Museum	All Citizens	
42.	Solving the problems of new premises for the Public Library					X	X	Public Library and Zenica Municipality		
43.	Purchasing of new books		X	X	X	X	X	Public Library		
44.	Analysis of justification for opening a Public Library Unit in Nemila			X				Public Library and Zenica Municipality	Local population	
45.	Building a RTV Center			X	X			RTV Zenica, Zenica Municipality	Citizens of Zenica and wider region	
46.	Reconstruction of the B-Pitch at Kamberovića polje		X	X	X			PC for Sports Facility Mgmt	Football clubs, recreationists	
47.	Building of NSBiH Football Training Center		X	X				FIFA, UEFA, NSBiH, Zenica Municipality	National teams, clubs, citizens	
48.	Digitalization of health care system			X	X	X	Health Care Center Zenica	Local population		





SOCIAL DEVELOPMENT PLAN										
Projects/measures	Program	Related to goals and objectives	Approx. time of implementation Implementation dynamics					Implementing agency	Target groups (beneficiaries)	
			2012	2013	2014	2015	2016			
49.	Setting up a health care institute	<b>Goal No. 3.</b> <b>Objective 3.1:</b> Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017  <b>Objective 3.2:</b> A major improvement of communal and traffic infrastructure (quantified by related programs and projects)			X			Health Care Center Cantonal Veterinary Institute ZDC Government	Population of the region	
50.	Daycare center for neglected and abandoned children		X	X	X	X	X	JU CSR, NGOs (Medica, Teachers without borders )	Children deprived of parental care	
51.	Women's safe house		X	X	X	X	X	NGO Medica i PI Dom porodica	Women-family and community violence victims, children-victims of various forms of violence	
52.	"A house half-way down the road" Project		X	X	X	X	X	PI Dom porodica	Raising self-reliance in children leaving the Institution	
53.	Development support and early intervention center for children with disabilities		X	X	X	X	X	NGO Humanost, Canton, Municipality	Children with disabilities	
54.	Small family home		X	X	X	X	X	PI Dom porodica, Zenica Municipality	Children of the Orphanage	
55.	Raising awareness of foster care as form of care for orphans, elderly persons and persons with disabilities		X	X	X	X	X	PI Dom porodica, Zenica Municipality		Children of the Orphanage
56.	Homeless Center		X	X	X	X	X	NGO	Homeless	
57.	Juvenile delinquency prevention		X	X	X	X	X	Municipal Team	Youth	
58.	Adaptation and furnishing of the capacities of PI Elderly Home (to increase capacities through new extensions of Crkvice and Pensioner's Home buildings)		X	X	X			PI Elderly Home Zenica Municipality	Elderly people	
59.	Gerontology Center		X	X	X	X	X	UG Ruhama	Sick elderly persons	
60.	Smetovi Eco Park - Eco House & Ethno-Village		X	X	X	X	X	Zenica Municipality NGOs	Youth Citizens of Zenica	
61.	Scouts' Youth Center Boračko jezero		X	X	X	X	X	Scout Federation, Zenica Municipality	Youth, sports people	
62.	Setting up an Eco-Museum Vranduk			X	X	X	X	Canton, Municipality	General public, tourists	

The social development plan includes the implementation of projects and measures listed under 4 programs:

<b>Program: Training and re-education</b>	<ul style="list-style-type: none"> <li>▪ Analysis of labor market demand including analysis of the skills needed (annually)</li> <li>▪ Continued education of the MZ activists</li> <li>▪ Developing a "Lifelong learning" project</li> </ul>
<b>Program: Culture, Sport and Tourism Promotion</b>	<ul style="list-style-type: none"> <li>▪ Council for education, culture and sport</li> <li>▪ Development of cultural societies (KUD), ethno-festivals etc.</li> <li>▪ Traditional New-Year's Concert of the Symphonic Orchestra</li> <li>▪ Omelet Festival, Lastavica</li> <li>▪ Establishing a City Art Gallery</li> <li>▪ Eco-Cartoons Biennale</li> <li>▪ International Basketball Tournament – Kenour Cup</li> </ul>
<b>Program: Improving cultural, sports and health infrastructure in local MZ</b>	<ul style="list-style-type: none"> <li>▪ Building of sport facilities in local neighborhoods</li> <li>▪ Terms of Reference with Timeline for adaption of Community buildings in suburban and village communities</li> <li>▪ Family outpatient unit Tišina, Amauti, Mokušnice, Šerići</li> <li>▪ Analysis of the justification to set up an outpatient unit with pharmacy at Vranduk</li> </ul>
<b>Program: Improving infrastructure and public services</b>	<ul style="list-style-type: none"> <li>▪ Building of sport facilities in local neighborhoods</li> <li>▪ Terms of Reference with Timeline for adaption of Community buildings in suburban and village communities</li> <li>▪ Family outpatient unit Tišina, Amauti, Mokušnice, Šerići</li> <li>▪ Analysis of the justification to set up an outpatient unit with pharmacy at Vranduk</li> </ul>

### 3.4. Assessment of the expected outcomes with indicators

Social development objectives	Indicators of objectives at the sectoral level	Indicators at the program-project level
<b>Objective 4.1:</b> To set up mechanisms of continued cooperation between educational, science-research and development institutions with businesses and sports organizations by the end of 2013	<ul style="list-style-type: none"> <li>• Number of technological improvements achieved in collaboration with education institutions</li> <li>• A number of implemented projects of collaboration between educational institutions and cultural organizations</li> <li>• A number of implemented projects of collaboration between educational institutions and sports organizations</li> </ul>	The structure of continued collaboration between educational institutions and businesses, cultural and sports organizations put in place
<b>Objective 4.2:</b> To enhance the role of a center of sports and cultural events in Zenica-Doboj Canton and beyond	<ul style="list-style-type: none"> <li>• A number of tourists who visited Zenica for sports events</li> <li>• A number of tourists who visited Zenica for cultural events</li> </ul>	A number of new sports and cultural events organized
<b>Objective 3.1:</b> Continued improvement of the quality of public services which will be accessible in all parts of the municipality by 2017	The extent of satisfaction of the public service beneficiaries enhanced	Monitoring mechanisms of the level of satisfaction of the public service beneficiaries put in place
<b>Objective 3.2:</b> A major improvement of communal and traffic infrastructure (quantified by related programs and projects)	<ul style="list-style-type: none"> <li>• A level of citizens' satisfaction with the communal infrastructure</li> <li>• A level of citizens' satisfaction with the traffic infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Number of km of asphalt roads</li> <li>• Number of new water pipe networks built</li> </ul>
<b>Objective 3.3:</b> Reduction of social exclusion of the most vulnerable groups of population and developing of a social card by 2015	By the end of 2015, all socially excluded categories have access to adequate social care and protection services By the end of 2015, all citizens have access to equal level of health care	A number of initiatives focused on inclusion of the marginalized groups into social life in collaboration of the local administration with NGO sector



**IV. IMPLEMENTATION PLAN**

**1. DEVELOPMENT STRATEGY IMPLEMENTATION PLAN**

**1.1. Indicative three-year financial plan – SECTOR OF ECONOMY**

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012.	2013.	2014.	Total	Loan	Entity	State	Public companies	Private sources	IPA	Donors	Other
<b>Sector 1. Economic development</b>														
1.	Finalization and extension of Business Park Zenica 1	600000		600000		600000								
2.	Setting up database on suitable land for business parks in conformity with the spatial planning documentation	2000		2.000		2.000								
3.	Developing feasibility study for potential business parks	30000		15000		15000						15000		
4.	Measure 1: Construction and upgrading the ZEDA capacities and development role of Business Incubator and TechnoPark	1 000000	200 000	200 000	200 000	600000				100 000				300 000
5.	Setting up a JUR (development management unit within local administration)	10000		10000		10000								
6.	Setting up a one-stop shop to assist the start-ups	10 000		10 000		10 000								
7.	Establishing a development guarantee fund to encourage start-ups and development of SMEs	100000		50000	50000	100000								
8.	Setting up database of all businesses in the Zenica Municipality	5000				5000								5000
9.	Analysis of the situation with entrepreneurship in Zenica and setting up a database on investment opportunities in both public and private sector	5000	5000			5000								
10.	Developing plans for creation of best local business environment in BiH	5000	5000			5000								
11.	Measure 1: Defining and decision making on the stimulation packages for foreign/local investors (lower rents, fees...)													
12.	Measure 2: Continued education and training of workforce and methods to deal with investors in pre-investment, investment and post-investment stage	50 000												
13.	Setting up a database and network of successful Zenica-born business people operating abroad	5000		5000										5000
14.	Setting up an on-line investment guide and publishing its hard copy too	3000	1000	1000	1000	3000								
15.	Measure 1: Setting up a LEF Local Economic Forum – a consultancy group of all local development stakeholders working to improve a business ambience in Zenica and achieving synergy of effects through developed partnership	10 000												
16.	Measure 3: Educational and promotional programs to raise the entrepreneurial awareness in educational institutions – university, high schools, primary schools, (business idea competition, exhibition of ideas and innovations etc)	50 000												

## LOCAL ECONOMIC DEVELOPMENT STRATEGY 2012-2022

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012.	2013.	2014.	Total	Loan	Entity	State	Public companies	Private sources	IPA	Donors	Other
17.	Measure 4: Improving a city image and joint activities in promotion of Zenica as a place of excellent business climate													
18.														
19.	Introducing a "Business person of the year" award in Zenica	50 000		3000		3000								
20.	Measure 1: Upgrading the ZEPS and ZEPS Internetal trade fairs	xxxx												xxxx
21.	Building of exhibition site	xxxx												xxxx
22.	The project of introduction of new specialized fairs	xxxx												xxxx
23.	Measure 1: The technical and financial package to support development of metal industry SMEs													
24.	Measure 2: Strengthening capacities of the Zenica University and Kemal Kapetanovic Institute	xxxx												
25.	Measure 3: Development of partnership between local government and ArcelorMittal management aimed at upgrading of the volume and quality of business ties of Zenica business community and ArcelorMittal and attracting fresh investments in Zenica													
26.	Setting up a Metal worker forum havings its seat in ZeZenica	25 000	3000	3000	3000	9 000							16 000	
27.	Setting up a Zenica-based metal cluster	5 000											5 000	
28.	Measure 1: Setting up a wood excellence sector within a TechnoPark	1000000	75000	75000		150000					80000			50000
29.	Establishing a wood cluster	50000												50000
30.	Setting up an association of Zenica's trading companies	5000												5000
31.	Construction and development of capacities and equipment of Lukovo polje market place	500000								500000				
32.	Project : Nemila-a trade and business center of the mini region-Drafting a regulation plan for the center of Nemila as a trade center of the mini region	50000												
33.	Project : Nemila-a trade and business center of mini region-upgrading the trade fair in Nemila and development of market place in Nemila	100 000												
34.	Measure 1: Matching the scientific institutions and local manufacturers	10000												10000
35.	Measure 2: Subventions for educational programs aimed at development of human resources in scientific institutions and industry	50000												50000
36.	Measure 3: Measure: Support for commercial valuation of innovating designs through innovator support package	10000												10000
37.	Measure 4: The incubation support project for ICT companies and development of service package for out-of-incubator companies	10000												10000
38.	Measure 5: Support for usage of information-communication technologies (ICT) to raise competitive level of companies	10000												10000
39.	Revision of a decision on declared businesses at short supply			xxx		xxx								
40.	Introduction of a set of advantages for business at short supply													



No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012.	2013.	2014.	Total	Loan	Entity	State	Public companies	Private sources	IPA	Donors	Other
41.	Measure 1: Technical and financial support for development of food and food processing projects													
42.	Setting up a database on current and potential agricultural production as base of raw materials for food and food processing industry	10000		5000		5000							5000	
43.	Making decision on incentives for development of farming industry in Zenica	750 000	250 000	250 000	250 000	750 000								
44.	Measure 1: Promotion of urban tourist offer: Museums, parks, cinema, theatre, religions temples, events (Zenica Spring, Drama Festival, Čimburijada, Lastavica..)	20000		5000	5000	10000							10000	
45.	Measure 2: Enhancing the extreme sports-based tourism	50000												50000
46.	Revision of the spatial planning documents for tourism development	10000		5000	5000	10000								
47.	Infrastructural furnishing of tourist sites (Vrnaduk, Bistričak, Smetovi) – Vranduk-EthnoCity - Gallery	1000000												1000000
48.	Construction of trim trails and cycle paths at suitable locations	100000												100000
49.	Developing of day-trip resorts in the municipal territory	50000												50000
50.	Erecting a traditional structure with a purpose of trade (Bosnian House)	200.000			50.000	50.000							150.000	
51.	Setting up a tourism info booth	5000											5000	
52.	Promotional local capacity package for spots tourism	3000		3000		3000								
53.	Making a brochure on Zenica's congress tourism capacities	3000		3000		3000								
54.	Analysis of potentials for development of cultural / historical tourism	3000		3000		3000								
55.	Development of recreational and agro tourism at Smetovi, Lisac and Pepelari	1350000	10000	15000	20000	35000							1000.000	
56.	Making a plan of rural-village tourism	20000												20000
57.	Publishing a guide book on rural tourism potentials in the municipality	20 000												20 000
58.	Construction of modern co-generation thermal plant at Business Park Zenica 1	500000000												500000000
59.	Developing a study on locations for mini and micro hydro power plants in the municipal territory	30000												30000
60.	Support for construction of mini hydro plant Janjići and Vranduk	xxx												xxx
61.	Construction of micro hydro power plants Bistričak and Čajdraš	xxx												xxx
62.	Support for solar power and wind power-based projects	xxx												xxx
63.	Developing a study on possibilities of wind power harvesting in the municipal territory	30000												30000
64.	Measure 1: Promotion of housing block "warming" projects													
65.	Measure 2: Support for projects of construction and rehabilitation of buildings in line with energy efficiency principles													
66.	Study and concept of housing block "warming" system	30000												30000

LOCAL ECONOMIC DEVELOPMENT STRATEGY 2012-2022

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012.	2013.	2014.	Total	Loan	Entity	State	Public companies	Private sources	IPA	Donors	Other
67.	Capacity building for energy efficiency sector at Zenica TechnoPark													
68.	Developing a Study of agricultural development of Zenica Municipality	30000												30000
69.	Measure 1: Technical and financial support for development of agricultural production projects	182.000	182.000			182.000								
70.	Measure 2: Co-financing of introduction of standards and certification (HACCP, land and building certification...)	50000												50 000
71.	Measure 3: Support for NGO sector in development of agricultural business in the municipal territory	40000											20 000	20 000
72.	Measure 4: Measure: Setting up a self-reliable homesteads and promotion of local agricultural production	40 000												40 000
73.	Measure 5: Setting up and development of agricultural infrastructure (cold storage, lactofreeze, dryers, irrigation, packing facilities...)	100 000									50 000	50 000		
74.	Measure 6: Valuation and support for production of authentic products (branding a basket of Zenica's own products)	20 000	3 000	3 000	3 000	9 000								11 000
75.	Measure 7: Support of eco-friendly agricultural production	50000											50000	
76.	Measure 9: Support in protection of health of plants and animals	300000									150000		150000	
77.	Measure 10: Utilization of opportunities offered by ZEPS for promotion of local agricultural products													
78.	Setting up a municipal consultancy agricultural service (Center for improvement of agricultural development processes)	50.000		15 000	15 000	30000							20000	
79.	Setting up a database on all agricultural homesteads, farms, cooperatives and associations	5000	1000	1000	1000	3 000								2000



**1.2. Indicative three-year financial plan – SECTOR OF SOCIAL DEVELOPMENT**

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012	2013	2014	Total	Loan	BiH Federation	State	Public companies	Private sources	IPA	Donors	Canton and other
<b>Sector 2. Social development</b>														
1.	Council for education-business matching	3 000	1000	1000	1000	3000								
2.	Analysis of current and estimated labor market demands including analysis of the skills needed (annually)	3 000	1000	1000	1000	3000								
3.	The council for collaboration of education, culture and sport	3 000	1000	1000	1000	3000								
4.	Zenica Spring Festival	280000	80000	80000	90000	250000								30000
5.	Spiritual Music Festival	20000	3000	3000	4000	10000								10.000
6.	Children and Youth Film Festival	37.000	5.000	10.000	10.000	25.000								12000
7.	Sevdah Festival	26000	6000	7000	7000	20000								6000
8.	Development of KUDs (folk dance events, EthnoFest)	41 000	12000	12000	12000	36000								5000
9.	Children’s Festival “When music plays”	10000	1000	2000	2000	5000								5000
10.	Street Festival	21000	5 000	6000	7000	18000							3000	
11.	BiH Drama Festival	63000	11000	11000	11000	33000		20000						10000
12.	MESS Festival in Zenica	24 000	8000	8000	8000	24000								
13.	Traditional New-Year’s Concert of the Symphonic Orchestra	15 000	5000	5000	5000	15000								
14.	Eco-Cartoons Biennale	12000	3000	3000	3000	9000								3000
15.	Omelet Festival	12000	2000	2000	2000	6000							6000	
16.	Lastavica	9000	2000	2000	2000	6000							3000	
17.	International Basketball Tournament – Kengur Cup	30000	5000	5000	5000	15000							15000	
18.	Primary School Basketball League	27000	3000	3000	3000	9000							9000	9000
19.	International Track and Field Meeting Zenica	60000	10000	10000	10000	30000							30000	
20.	Support for sport schools (basketball, football, volleyball, handball, athletics)	60000	10.000	10000	10000	30000								30000
21.	Small Olympiad	24000	4000	4000	4000	12000								12000

LOCAL ECONOMIC DEVELOPMENT STRATEGY 2012-2022

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012	2013	2014	Total	Loan	BiH Federation	State	Public companies	Private sources	IPA	Donors	Canton and other
22.	Reconstruction of Bilino polje Stadium	1060000	60000			60000							1000000	
23.	Building of Rugby Compound	100000	10000	10000	10000	30000							70000	
24.	AquaPark	3 000 000									3 000 000			
25.	Setting up a mechanism of day-to-day monitoring and upgrading of the local services	3 000	1000	1000	1000	3000								
26.	Reconstruction of the Bosnian National Theatre building	1300000		300000	200000	500 000							800 000	
27.	Setting up a Technology Museum	1 000000												1000000
28.	Solving the problems of new premises for the Public Library	2000000												2000000
29.	Purchasing of new books	75000	15000	15000	15000	45000								30000
30.	Reconstruction and extension of RTV Center Zenica	4500000		1000000	1000000	2000000								2500000
31.	Building of NSBiH Football Training Center	9000000											9 000000	
32.	Reconstruction of the B-Pitch at Kamberovića polje	300 000	100000	100000	100000	300000								
33.	Sport-recreational playfield for children with disabilities	50000		5000		5000							45000	
34.	Family outpatient unit Tišina	100000	100000	100000		200000								
35.	Family outpatient unit Arnauti	200000	100000	100000		200000								
36.	Family outpatient unit Šerići	50 000	25 000	25000										
37.	Digitalization of health care system	10 000												10 000
38.	Daycare center for neglected and abandoned children	300000	50000	50000	50000	150000							150000	
39.	Safe House for women and children	240000	20000	20000	20000	60000								180000
40.	"A house half-way down the road" Project	100 000	50 000	50 000										
41.	Development support and early intervention center for children with disabilities	225000	25000	25000	25000	75000								150000
42.	Adaptation and furnishing of the capacities of PI Elderly Home (to increase capacities through new extensions of Crkvice and Pensioner's Home buildings)	100000	20 000	30000	50.000	100000								
43.	Small family home	360000	120000	120000	120000	360000								





No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2012	2013	2014	Total	Loan	BiH Federation	State	Public companies	Private sources	IPA	Donors	Canton and other
44.	Homeless Center	100000			50000	50000							50000	
45.	Juvenile delinquency prevention	60000	10000	10000	10000	30000							30000	
46.	Gerontology Center	215000	5000	5000	5000	15000							200000	
47.	EcoHouse – EcoPark Smetovi	80000	10000	10000	20000	40000							40000	
48.	Scouts' Youth Center Boračko jezero	1200000	10000	20000	20000	50000		200000					200000	740000
49.	Setting up an Eco-Museum Vranduk	100000		20000	20000	40000		10 000					30000	20000

**1.3. Indicative three-year financial plan – SECTOR OF ENVIRONMENT**

No.	Projects/measures	Estimated project/measure value	Estimated finances from the municipal budget (KM)				Estimated finances from other sources (KM)							
			2011	2012	2013	Total	Loan	BiH Federation	State	Public companies	Private sources	IPA	Donors	Canton and other
<b>Sector 3. Environment</b>														
1.	Expenditures for: Daily maintenance and repair of roads, winter service, developing project designs and supervision costs	17220000	5220000	5000000	5000000	15220000								2000000
2.	Reconstruction and building of water and sewer system in rural areas	3 900000	300000	300000	300000	900000								3000000
3.	Maintenance of river beds	250000	50000	50000	50000	250000								
4.	Daily maintenance and interventions at Sidje disposal site	100000	100000											
5.	Construction of Blue water pipeline	15150000	50 000	50000	50000	150000	15000000							
6.	Rehabilitation of Side disposal site	7500000					7500000							
7.	Education: TV Eco-Quiz and other educational programs	50000	50000	50 000	50000	150000								
8.	Building of animal shelter; castration and sterilization of dogs and cats	500000	500000										200000	
9.	Air pollution monitoring and purchase of equipment	1000000	270000	300000	300000									150000
10.	Reconstruction, installation and developing of cadastre of street lighting in urban and rural areas	3500000												3500 000
11.	The communal infrastructure extension projects	12000000	4000000	4000000	4000000	12000000								
12.	Building of City Ring Road	40000000					40000000							
13.	Setting up a bio-mass fired district heating system in Nemila	3000000	300000	300000	300000	900000							2100 000	



## **2. THE DEVELOPMENT PLAN OF INSTITUTIONAL CAPACITIES AND HUMAN RESOURCES REQUIRED FOR STRATEGY IMPLEMENTATION**

The local development strategy, from development (planning) to implementation, poses a great challenge for the local self-government. The extent and quality of the Strategy implementation, as a summary of all individually implemented projects and measures, will clearly show whether the local self-government is far from or close to achieving the specified strategic goals and visions. In order to implement the development plans, the present organizational structures need to be adjusted or the new ones established, along with development of the required human resources. The key operational capacity for development management (development management unit) needs to be clearly defined. The task of this capacity/unit is to engage in daily monitoring of the implementation of the Strategy as a whole and each project in particular, coordination of all activities and stakeholders from project promotion, preparation, launching and reporting to initiating the Strategy upgrades.

The key stakeholders for implementation of the Development Strategy include:

- City Council
- Mayor
- Local development team,
- Development management unit,
- Municipal departments,
- Municipal institutions and organizations (Local Development Agency, Tourist Organization, Institutions of Culture, Schools, Faculties, Social Work Center, Health Institutions, Cooperatives and Business associations...),
- Specialized educational, research and consultative organizations,
- Local non-governmental and sport organizations and associations,
- Sectoral ministries and agencies.

Each of them needs to be tasked with specifically defined roles in implementation, allocation of funds, monitoring and evaluation (roles given in Attachment 1)

The steps in setting up organizational and human resources for Strategy implementation include:

Analysis of the functions, processes, stakeholders and roles in local development management, including:

- a) Overview of minimum local development management functions and
- b) Overview of processes, stakeholders and roles in planning, implementation, monitoring and evaluation of local development strategies.

The comparison between the capacities available and the capacities required for Strategy implementation helps define the required interventions in terms of human resources and structural development to build the capacities sufficient for Strategy implementation management.

Decision making process on development/strategy management includes:

- a) Plan of improvement of local development management functions is defined based on the results of the said analysis,
- b) The selection of the capacity organization models for strategy implementation with the development management unit as one of the possible solutions.
- c) Preparation and adoption of changes and amendments to the Organizational Chart and Job Description of the local administration, in line with the selected capacity organization model for the strategy implementation, including specification of mutual relations of all stakeholders within the local administration.

The stage of selection and training of staff:

- a) Contracting a number people of specific profiles along with specification of other stakeholders directly or indirectly involved in the local development processes.
- b) Organizing specific trainings for staff members who are going to be active participants in the development management process, as specified.

Strategy implementation:

- a) The staff in charge of implementation of the Strategy and development management are engaged in implementation in compliance with the specified roles and responsibilities.
- b) The staff members monitor the implementation, result assessment and plan upgrades.

Attachment 1 - Overview of processes, stakeholders and roles in planning, implementation, monitoring and evaluation of local development strategies.

<b>Basic roles and responsibilities in the process of Strategy implementation and coordination</b>	
<b>Role</b>	<b>Competence</b>
Specifying responsibilities for Development Strategy implementation coordination	Mayor
Specifying competencies of each department/service for drafting project proposals and project implementation	Mayor, Local Development Team
Elaboration of project proposals and securing sources of funding	Competent department, ZEDA
Putting in place public procurement procedures	Competent departments
Monitoring of the Strategy implementation and regular reporting thereof	Local development team, ZEDA
Setting up and continued upgrading of development-focused database	Competent departments
Elaboration and adoption of operational and financial plans for the forthcoming years of Strategy implementation (annual and indicative three-year plan)	Competent departments
Upgrading and revision of the sectoral plans and Strategy itself	Competent department, Local development team
Specifying key requirements for capacity building of the staff involved in the strategy implementation. Developing a plan and systemic capacity building for efficient Development Strategy implementation	<i>Local development team,</i> Development management unit,
All-encompassing communication within the development strategy implementation with the out-of-local-government stakeholders (citizens, media, business community, NGOs, would-be financiers, higher-level authorities etc.)	Development management unit,
Continued development of human resources needed for implementation of the Strategy among the local administration staff	Development management unit



### **3. MONITORING, EVALUATION AND UPGRADING OF THE DEVELOPMENT STRATEGY**

Monitoring and evaluation of the Strategy implementation enable the measuring of the level of implementation of the specified goals, which offers a chance to take timely actions aimed at specific corrections and evaluation of the overall success of the Strategy implementation. Monitoring is a system of data collection and processing aimed at matching the results achieved against those planned. Evaluation is based on the monitoring results and it gives the overall estimate of the extent to which the planned goal are actually achieved. In order to be able to manage the Strategy implementation, like any project implementation, we have to be able to measure the level of achievement of the specific goals and results within a specific time frame, and that's where the objectively verifiable indicators are used as a tool.

The most important proposed indicators for monitoring and evaluation of the Development Strategy implementation include:

- Growth of industrial investments in the municipal territory,
- A number of new industrial jobs (monitored against the unemployment rate),
- Growth of company profits,
- Growth of number of businesses per 1000 inhabitants,
- Growth of average salary,
- Growth of natural birth rate,
- Growth of share of educated population (high school and university),
- Growth of the size of territory and population covered by communal services,
- Growth of citizens' satisfaction with the overall quality of life.

If the Strategy goals and indicators are defined by way of SMART rules, the level of their achievement should be closely monitored. Monitoring is, therefore, carried out based on the defined project and program indicators and the implementation plan. The mechanisms put in place for monitoring of the Development Strategy implementation shall, by monitoring of the specified indicators, control the achievement of goals by collecting and analyzing the data required for its verification. Monitoring should be harmonized with the semi-annual and annual report cycle as carried out by specific statistics and other institutions (institutes of statistics, APIF/AFIP and other).

The baseline documents for evaluation of the preparations of the development management units or other departments in charge, are built upon the results of the annual monitoring activities. Another baseline tool includes indicators defined in the planning process. If the specific funds are allocated for this purpose, it is advisable to contract a competent independent or local organization of a good repute to do the evaluation. The findings and recommendations of the evaluation are discussed by the Mayor and his associates, a Development Council and a City Council.

From the very beginning, it is important to take this task of data collecting, processing and analyzing as a systemic task rather than an ad-hoc activity. This means to organize it in such a way to:

- Create specific and easily upgradable databases on an annual basis,
- Make direct annual polling of the groups of stakeholders/beneficiaries according to the standardized methodology and instruments, in order to monitor changes and progress,
- Use monitoring (annual) and evaluation (3 years in) of the progress made in achieving the strategy and development plans.

It is necessary to use specifically organized databases upgraded at least once a year when the specific statistics become available. It is recommended to set up the following secondary databases:

- Demographic database,
- Labor market database,
- Social public service database,
- Infrastructure and communal service database,
- Local economy database,
- Environment database.

According to MiPRO methodology, the monitoring, evaluation and upgrading of specific segments of the Strategy are carried out in specific time periods given in the table below:

<b>Monitoring and evaluation activities</b>	<b>Time frame</b>
<b>Monitoring of the program/project/measure implementation</b>	Annually
<b>Check evaluation</b>	3 years-in for sectoral plans, and 5 years-in for Strategy
<b>Upgrading sectoral plans</b>	Partly 3 years-in and fully 5 years-in
<b>Upgrading Strategy</b>	Partly 5-years in, and fully 10 years-in
<b>Final evaluation</b>	5 years-in for sectoral plans and 10-years in for the Strategy

Strategy is a flexible instrument that needs to be upgraded and accommodated to the circumstantial changes. The reviewing and upgrading of the Strategy components are done selectively so that normally the development vision and strategic goals remain unchanged during the selected strategy time frame, sectoral plans are reviewed and revised as needed, as well as other components thereof.



The following table gives a frame checklist and a calendar for annual upgrading of the Development Strategy:

Component	Description and upgrade baseline tools	When to upgrade	Note
Socio-economic analysis <i>(a rather shortened version)</i>	<ul style="list-style-type: none"> <li>✓ We monitor and publish selected economic and social indicators and major trends (demographic, labor market, economic indicators by branches and type of businesses, the situation in agriculture...).</li> <li>✓ The business environment situation could be monitored by a standardized polling or focus group</li> </ul>	Beginning in April (with all previous-year data processed); ending (publishing) in June	It is very important to work out a procedure for this job and agree on data exchange with the sources of information (Employment bureau, PIO Fund, Tax Directorate...).
Sectoral goals revision	<ul style="list-style-type: none"> <li>✓ We evaluate the level of achievements and whether still valid. If the achievements are not as expected, we analyze causes and, as needed, intervene through activities (projects and/or through goals itself)</li> <li>✓ We carry out revision based on the program and project implementation monitoring, on one hand, and the observed circumstantial changes, on the other</li> </ul>	June-July	It is recommended to take advantage of the Partnership group's potentials in reviewing objectives and projects
Project review	<p>Performed based on the:</p> <ul style="list-style-type: none"> <li>✓ Experience acquired through project implementation</li> <li>✓ Results and recommendations of the projects implemented,</li> <li>✓ Observed changes and new needs,</li> <li>✓ Reviewed objectives.</li> </ul>	August - September	
Concrete annual implementation plan with project forms	<ul style="list-style-type: none"> <li>✓ We set up the next-year priorities</li> <li>✓ We review/complete the project forms/project tasks for prioritized projects</li> <li>✓ We draft and adopt a financial plan</li> <li>✓ We complete an implementation plan.</li> </ul>	September - October	The late-October upgraded plan is sent out for public debate along with the budget
Monitoring and evaluation of the implemented current projects	<p>Performed based on the:</p> <ul style="list-style-type: none"> <li>✓ Implementation plan,</li> <li>✓ Worked out project forms/project tasks (expected results),</li> <li>✓ Project implementation reports (project documentation),</li> <li>✓ Indicators on effects achieved (for instance export and import, information from Employment Bureau...).</li> </ul>	Monitored in line with the project implementation and reporting dynamics. Evaluated (assessment of achievements and analysis of causes) in early March.	We do report the results of monitoring and evaluation to the Partnership Group, Mayor and Council, as part of the annual work report.