



Regional Development Strategy of the Timok Region for the period 2011 – 2018

DEVELOPMENT OF THE TIMOK REGION

Leadership in the elaboration of Regional Development Strategy of the Timok Region:

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Introduction

The preparation of Regional Development Strategy of the Timok Region started as a part of a broader process which aims to improve readiness of local self-government and supporting expert institutions of the Timok region for new challenges in the field of regional development in terms of implementation of the new law on regional development as well as the process of accession of Serbia to the European Union.

To reach this goal, activities focused on building conditions for defining of common development priorities of the Timok region and the preparation of an effective approach to realization of development directions of the Timok region have been launched.

This approach derives from the identified priorities of the region, and is building on the need to provide for a dynamic and effective development of the region.

This development document considers trends and prognoses of the region's development. It exploits potential of the territory to the highest possible manner. It is linked to relevant plans and strategies on higher and lower levels. It takes into account economic, social and environmental challenges using integration approach. Intentions and objectives of this document are stated clearly and specifically. It incorporates a feasible Regional Development Plan and the indicative list of projects.

The Regional Development Strategy of the Timok region aspires to fill the existing gap between national and municipal levels of the development planning. Local level in Serbia (considering size of the governed territory and volume of available sources) is often incapable of implementing development activities which would bring a substantial change. The Timok region is characterized by such opportunities and problems which in part cannot be treated on municipal level, i.e. any potential solution on this level would not be fully efficient nor would it have a full effect. Regional Development Strategy will primarily serve as the strong tool via which interests of the Timok region will be advocated in the foreseen regional development document, which will soon be developed for the Statistical region Eastern and Southern Serbia (NUTS II level).

Therefore, the Regional Development Strategy of the Timok Region represents a solid basis for further development of our region.

Based on experiences from developed and developing countries the Regional Development Strategy is being prepared in case that:

- local authorities feel the need to solve their local problems via cooperation with other local authorities having the same (similar) problem and thus the regional plan comprises local problems occurring in more than one municipality. This approach should go through local development plans and identify issues of the common interest (e.g. waste management, education, support of SME, social inclusion etc.)
- there are challenges (problems and opportunities) which have "a regional character" (e.g. floods, infrastructure, regional marketing, environmental protection, etc.) and cannot be resolved on the local level

In this approach the document will have four major meanings:

- It will serve as a document of the 8 municipalities (and other subjects involved in the process of its preparation) expressing their agreement on development priorities and directions and also their commitment to jointly proceed with solving regional issues.
- It will serve as a strong tool via which interests of the Timok region will be advocated in the future Regional development plan at the NUTS II level.
- It will serve RARIS and all other partners from the region as a foundation for identification of priority measures and activities that should be implemented, i.e. project which should be prepared.
- Present legal framework shows that it is not realistic to secure the implementation of regional development plans at the level below NUTS II. Therefore, several priority projects need to be identified, which could be prepared and implemented in the following period. Available funds of responsible Ministries, IPA and bilateral donors could be used for the implementation of these projects. Responsibility for these projects could be assumed by RARIS.

There are some specific issues, which have to be taken in consideration related to elaboration of Regional Development Strategy of the Timok Region:

- Timok region consists of 2 districts with 8 municipalities. In six municipalities, new Local (Economic) Development Strategies were developed during 2009. RARIS supported developing of those 6 Local Strategies.
- RARIS Assembly made the decision in 2009 to start preparation of the Regional Development Strategy for the Timok region.
- In these six municipalities, RARIS also supported establishment of the LED offices (Local Economic Development Offices). They have been established during 2009. They lead the municipal strategic-planning process and they shall be one of the main partners in the regional planning.
- Process on the elaboration of the Regional spatial plan for the Timok region (all 8 municipalities) is ongoing. Elaboration of the spatial plan is led by the Republic Spatial Planning Agency of the Republic of Serbia. Local self-governments and RARIS have been taking the active role in elaboration and participated directly in the updating of the planning documents relating to the municipalities or the region.
- Elaboration of the Regional Development Strategy has been also supported by Delegation of the European Union to Serbia through the Operating Grant awarded to RARIS and project RSEDP 2

The process of elaboration has included all relevant stakeholders, and above all, municipalities in the region, business sector and civil society in the region as well as relevant ministries and other state institutions.

The Regional Development Strategy of the Timok region consists of the following elements:

- **Vision of The Timok Region** which defines a broader vision
- **Development Policy of the Timok Region** which identifies development priorities of given territory.
- **Regional Development Plan of the Timok Region** which specifies how objectives and priorities based on the Strategy will be addressed over the course of a specified planning period.
- **Indicative list of project ideas**, which represents examples of projects for implementation of each of the priority measures
- **Implementation –principles**, which explain the approach to the implementation
- **Annexes:**
 - Profile of the Timok Region,
 - Analyses of current state (SWOT and justification analyses),
 - Methodology,
 - List of REG members

1 Vision of the Timok Region

The vision of the region is a desired realistic state of the region after 10 years which the people living in this area can be proud of and which motivates them to work together to achieve it.

Vision of the Timok region

In 2020 the Timok region is the prospering and perspective territory within the European Union.

Dynamic economic growth, increased income and new jobs are stimulated by new investments and innovative approaches which bring high added value predominantly in SME sector. Transport interconnections of good quality with other parts of Serbia and neighbouring countries are encouraging the socio-economic development. The region is becoming a new tourist centre for Serbian and foreign visitors, as territory environment friendly producing high quality products in agriculture, energy sector, and exploitation and processing of mineral raw materials. Graduates and qualified people are employable on regional labour market. The development of the Timok region is based on close cooperation and dialogue between all levels of public administration, professional organizations, educational institutions and businessmen.

The strengthened economy of the Timok region supports creation of favourable conditions for work, living and relaxation.

2 Development Policy of the Timok Region

Development Policy of the Timok Region has been elaborated in accordance and based on the mapping of current state – the Profile of the Timok Region in the selected areas (e.g. economy of the region, education, infrastructure, health care and social services, environmental protection...). Subsequently, the local and foreign experts based on expert judgment, profile data, analytical materials (which assessed potential, environmental sustainability, expected benefits, European trends) formulated the overall goal and set of Strategic Development Priorities and Cross-sector/horizontal priorities with corresponding objectives. They represent elements which are better manageable on the regional level and at the same time they represent areas where the public authorities (either central government or municipalities) could provide support.

Strategic development priorities represent areas of economic character which have perspective to bring new jobs and income to the region. In order to narrow down/concretize the thematic focus of each strategic development priority the development directions with the greatest potential have been identified.

Cross-sector/horizontal priorities represent basic factors influencing and are of vital importance of all strategic development priorities.

Each of these development priority areas had to meet the following criteria:

- ❖ Given priority/direction is more effective and efficiently implementable/ operational on the regional than on the municipal level
- ❖ It is common problem or opportunity for:
 - significant number of municipalities and/or
 - significant part of the Timok region territory and/or
 - significant number of inhabitants of the region
- ❖ The area has unique conditions/potential within the region for the priority development
- ❖ It is characterized by favourable/ unfavourable development trends (last 3 -5 years) affecting region
- ❖ Dealing with the given priority is precondition for other regional development priorities implementation
- ❖ There is real possibility of funding of the priority implementation
- ❖ It is urgent to deal with the priority

The Regional Development Strategy of the Timok region defines **the overall goal** as:

To strengthen regional economy of the Timok region - bringing income and jobs to the region.

Regional Development Strategy of the Timok region is going to achieve the overall goal through the following development priorities:

- ❖ Strategic development priorities:
 - Agriculture and Food processing,
 - Energy based on renewable resources,
 - Tourism,
 - Exploitation and processing of mineral raw materials

- ❖ Cross-sector / horizontal priorities
 - Accessibility and traffic in the region
 - Support of entrepreneurship and investments
 - Regional human resources
 - Environment

| Overall goal: To strengthen regional economy of the Timok region - bringing income and jobs to the region. | |
|---|--|
| Strategic Development Priorities | Agriculture and Food processing |
| | Power industry based on renewable resources |
| | Tourism |
| | Exploitation and processing of mineral raw materials |
| Cross-sector / horizontal priorities | Accessibility and traffic in the region |
| | Support of entrepreneurship and investments |
| | Regional human resources |
| | Environment |

In order to justify/prove chosen Strategic Development Priorities (SDP) and identify Development directions (DD) we have elaborated each SDP into more detail.

Strategic Development Priorities:

| Agriculture and Food processing | Power industry based on renewable resources | Tourism | Exploitation and processing of mineral raw materials |
|--|--|--|---|
| Development Directions | | | |
| <ul style="list-style-type: none"> • fruit growing and viticulture • food processing • organic production • crop husbandry • animal husbandry | <ul style="list-style-type: none"> • geothermal energy • biomass energy • solar energy • wind energy • hydropower | <ul style="list-style-type: none"> • cultural tourism • health (spa) tourism • mountain tourism • nautical tourism • rural tourism • specialized forms of tourism (hunting, speleology...) | <ul style="list-style-type: none"> • exploitation and processing of metallic mineral raw materials • exploitation of non-metallic minerals • coal exploitation |
| Objectives | | | |
| To increase the competitiveness of agricultural sector in the Timok Region. | To increase share of energy produced from local renewable sources in the Timok Region. | To Increase the competitiveness of the Timok region as a tourist destination. | To increase the effectiveness and efficiency of the exploitation and processing of raw mineral materials. |

Cross-sector/horizontal priorities:

| Accessibility and traffic in the region | Support of entrepreneurship and investments | Environment | Regional Human resources |
|--|---|--|---|
| Objectives | | | |
| To increase the level of accessibility from outside and within the Timok Region. | To increase competitiveness of entrepreneurs in the Timok Region by improving support environment for entrepreneurship in the Timok Region. | To improve the quality and increase protection of environment. | To improve employability and employment at the level of the region. |

2.1 Narrative description of priorities

2.1.1 Agriculture and food processing

The Timok Region has long-term tradition in agricultural activities which arose from favourable natural conditions: half of the territory is covered by agricultural land of high fertile quality. An appropriate elevation, ranging between 200 to 350 meters, is especially suitable for growing vines in lower areas, while in higher areas it is characterized by sufficient number of sunny days and adequate average temperatures, for growing fruit. Lowland areas, suitable for intensive crop husbandry and vegetable production, are relatively modestly represented by fertile soils of Ključ and the Negotin plain.

The importance of agriculture – as the main economic branch in the Timok Region – is demonstrated by the fact that its current share in the income of the region is almost 44% compared to national share of only 17%. Absolutely predominant part of the agricultural land (81%), especially of arable land (94%) in the Timok region is privately owned by family farms. According to the 2002 Census, 40,986 households (41.7% of the total number of households) have a farm, which represents 93.1% of the total number of active agricultural population. The remaining part of employed agricultural experts and workers lives mostly in urban settlements.

The main agricultural potential of the Timok Region is primarily based on: **fruit growing and viticulture** production, located mainly in the area of the Danube and Timok rivers, between municipalities Kladovo and Negotin and around Knjaževac municipality. It has a long tradition in the Timok region and is also recognized outside the region. The planned increase of agricultural production will require development of **food processing** with various, already active, food processing capacities and available Brownfield locations for new ones. As a result, the new entrepreneurs could join the production chain and the created added value of final products will remain in the region. The already mentioned natural characteristics also create preconditions for **organic production** which, according to the OECD, is the most rapidly growing agricultural sector with the foreseen annual growth between 15-30%. In the most fertile parts of the region **crop production** (cereals, vegetable, fodder crops and, partly, industrial crop production) could be introduced to mostly satisfy local needs and to support **animal husbandry**.

Based on these facts, 5 development directions within this strategic development priority were identified in the Regional Development Strategy of the Timok Region, three of them as

the first category: **fruit growing and viticulture, food processing and organic production** and two of them as the second category: **crop husbandry and animal husbandry**.

However, the potential for agricultural development is facing several barriers and challenges. The machinery and technology is obsolete, production methods are old fashioned (e.g. inadequate use of fertilizers and cultivation techniques are the major reasons why the amount of produced yield is significantly lower in comparison with Western Europe). Farmers are not aware of the latest trends in management procedures and production and their mutual cooperation is insufficient. The consequences of these barriers are poor economic results in agriculture what leads to insufficient competitiveness on regional, national and international markets. By tackling of these issues the region will further increase income of local agricultural producers, new jobs will be created and the level of sales of regional agricultural products will rise.

2.1.2 Power industry based on renewable resources

Renewable energy sources are indisputably one of the most discussed topic on global scale. Taking into account the energetic safety and stability, the current trend on all levels (e.g. EUROPE 2020 - A European strategy for smart, sustainable and inclusive growth, ENERGY TECHNOLOGY PERSPECTIVES 2010, elaborated by The International Energy Agency or The Energy Challenge for Achieving the Millennium Development Goals, prepared by UN) is to raise the share of renewable sources in the total energy production.

In the Timok Region the use of non-renewable sources for energy production prevails. Based on partial power balances (without consumption of liquid fuels for the purpose of traffic and agriculture), solid fuels like coal are the most consumed in Timok region. The biggest consumers (75%) are industry (Chemical Products Prahovo and the Mining and Smelting Complex in Bor).

Referring to the currently available renewable resources in the Timok region, **the hydropower** is the only significantly used RES. There are Hydro power plants Đerdap 1 and Đerdap 2 (with the total installed capacity of 1,026 MW and 270 MW, respectively), the largest producers of hydroelectric power in Serbia. In 2007, they produced 17% of total electrical power, e.g. 67% of hydro-electrical power of Serbia. The total potential of the Timok region for installation of small hydropower plants varies between 5 and 20 MW per municipality which, besides Western Serbia, is the greatest potential in the whole Serbia.

Hydro energy potential has not been completely studied, but it is significant, its use is cheap and it produces no direct waste. According to the "Cadastre of small hydroelectric power plants in Serbia", 70 locations were identified in the Timok region.

Besides that, there is a significant potential for use of other forms of renewable resources of energy in the Timok Region:

Geothermal energy - geothermal waters in the region are mostly used in spas for baths, while other applications like e.g. the use of geothermal energy through heat pumps for the needs of heating, are not widely used. There are several sources of thermo-mineral water in the region, near Bor, Zaječar, Sokobanja and Knjaževac, of different quantities and temperature.

Biomass energy – the use of bioenergy has been sporadic in recent years, although the situation is changing in large agricultural areas in Vojvodina. There is no organized use of

biomass energy in the Timok region, although there is a great potential for possible biomass source from agricultural and forestry production. The largest producer of wood pellets in Serbia is located at Boljevac, with a production of pellets in the amount of about 1,200 t/month. Also, the firewood is often used for household heating.

Solar energy – there are no solar parks constructed in the region and within the radius of 150 km yet. Average sun energy (measured on the horizontal level), is 1.4-1.5 kWh/m² on the daily level, throughout the whole year.

Wind energy – there are no installed wind generators within the radius of 150 km. There is a potential for installing wind generators in the region. The average wind energy in the region, measured at the altitude of 150m, ranges from 150 to 375 kWh/m² during winter and about 75 kWh/m² during summer, which approximately corresponds to the average annual wind speed of about 6 m/s during winter and to the average annual wind speed of about 4 m/s in the summer period. There are activities of foreign investors to construct wind generators with the total installed power of about 100 MW in the municipality of Boljevac. One of the surveyed locations where measurements were performed is the Mountain Popadija, on the territory of the Municipality of Negotin, with the available capacity of about 45 MW.

However, the potential producers and distributors of energy originating from renewable sources are missing the supportive environment – analyses, feasibility studies, expertise, administrative and management support. Also, pre-surveys of capacities and infrastructure – e.g. technical equipment, facilities, locations, etc., are not yet ready.

In Regional development strategy there were identified five development directions, of which priorities of the 1st category are: **geothermal energy and biomass energy** and priorities of the 2nd category are: **solar energy, wind energy and hydropower**.

The expected benefits from the energy generated from renewable resources are: environmentally cleaner production of energy; creation of new jobs in production of energy based on the RES; powerful strengthening of rural development, due to providing farmers with additional revenues from production and sale of electricity; contribution to the local and regional emergency preparedness through energetic self-sufficiency – micro combined heat and power devices that run on biogas are bringing partly independence from centralised devices for heating and electricity; the increase of technical knowledge in communities – development of know-how and services.

2.1.3 Tourism

The area of the Timok region is a part of Central and Eastern Tourist Zone (according to the Spatial Plan of the Republic of Serbia). Zajecar and Bor districts possess good natural potentials, e.g. mountain Stara planina, Kučaj Mountains, Zlot gorge and caves, canyon of the Lazareva reka, Bor Lake, Crni Vrh. Another positive factor for development of different types of tourism is represented by convenient location between the Republic of Romania to the northeast and the Republic of Bulgaria to the east, with strong gravitational centres (Belgrade, Niš, Sofia, Vidin) in the surroundings. There is also a favourable connection to the Corridor VII (the Danube) and relatively affordable access to Corridors X (Salzburg - Ljubljana - Zagreb - Belgrade - Niš - Skopje - Veles - Thessaloniki) and IV (Dresden/Nuremberg - Prague - Vienna - Bratislava - Győr - Budapest - Arad - Bucharest - Constanța/Craiova - Sofia - Thessaloniki/Plovdiv - Istanbul).

Tourist potentials of the Region are unevenly developed. From relatively developed –, Sokobanja, archaeological sites “Felix Romuliana” and “Lepenski vir”, Nature Park Stara Planina (Babin Zub), National Park Đerdap, Gamzigradska banja (spa), Brestovačka banja (spa), to insufficiently developed – Cities of Zaječar and Bor and other municipal seats, with over 50 cultural-art and sports events, natural and culture-historical landmarks, hunting grounds, tourist spots in the neighbourhood and beginnings of rural tourism in a small number of surrounding villages. The existing tourist and recreational offer of the whole Timok region is not sufficiently recognized and developed. Its organization and interconnection among the municipalities in the Region, as well as with the neighbouring municipalities in Serbia, Bulgaria and Romania is inadequate.

Taking into consideration these facts and based on the Regional Development Strategy there were identified six development directions in this Strategic development priority.

Three of them are of the 1st category: **cultural tourism**, because there are many cultural monuments, archaeological sites, historical monuments and natural areas in the Timok region. **Health (spa) tourism** because there is a long tradition in this type of tourism (more than 170 years) and there is a great potential in existing hydrothermal sources used for various therapeutic procedures. **Mountain tourism** because the terrain of Stara Planina with highest mountain peak in Serbia (Midzor, 2,169 m) is suitable for hiking and skiing (there is the largest number of snow day per year in Serbia).

The following were identified as priorities of the 2nd category: **nautical tourism** because in the part of the Danube that runs through the Timok region there are attractive parts like Donji Milanovac, where the Danube is the widest in its lower course and provides the best conditions for boat sailing (Balkan boat sailing championships are often held there). The Iron Gate is also particularly attractive, where the Danube is the deepest in its entire course. **Rural tourism** because there are in the region still preserved authentic rural areas with traditional rural life, including unique wine cellars of Rajac, Rogljevo and Smedovac. More than 100 wine cellars are concentrated at one place, in the characteristic style of traditional architecture. **Specialized forms of tourism** such as hunting and speleology because one of the best hunting grounds in Serbia (Dubašnica) is in the Municipality of Bor and the area has three very attractive caves, which are regarded as the most beautiful and best running in Serbia.

The current state of tourist infrastructure could be described as unsatisfactory. Insufficient investments and lack of modernization caused the unattractiveness of tourist facilities (including town cores) including accommodation capacities. In fact, their average occupancy level measured by occupancy of beds on the annual level is approximately 25% of full occupancy of the all existing capacities. In addition, the quality of products themselves and associated services is not in majority of cases on desirable level and they are not commercialized enough in the domestic and foreign markets as well.

Development of tourism as a Strategic development priority within the Regional development plan will be based on two elements: 1. adaptability, in order to maintain long-term profitability, by adapting continuously to the competitive environment and the needs of tourists and improvement of the attractiveness and originality of the destination, 2. sustainability, as the ability to achieve and maintain profitability with minimum negative social and environmental impacts.

2.1.4 Exploitation and processing of mineral raw materials

Exploitation and processing of mineral raw materials has a long-term tradition (over 100 years) in the Timok region. Presently, there are significant reserves of raw mineral materials. The most important among them are deposits of copper and gold, but there are a lot of deposits and numerous occurrences of other metals, such as lead, zinc, etc. Further processing of metal ores and copper concentrates is being done in the metallurgical complex in Bor. There are also a number of deposits and the occurrence of various non-metals in the region: clay, quartz sand, dolomite, quartzite, barite, bentonite, as well as a large number of different economic significance of construction-technical and architectonic-building stone (gabbro, limestones, sandstones, tufas, andesites, syenites, etc.). There are also deposits of coal here (anthracite, brown coal, lignite) and, potentially, uranium. Recent reserves surveys show that the level of long-term potential production capacity is even higher than the present one. The necessity to deal with these priorities on regional level is also supported by the fact that mineral deposits and subsequently mines are geographically located in areas which do not necessarily overlap with administrative borders of municipalities.

The importance of this sector could be proved by several socio-economic indicators. In 2008, of the total number of employees in this sector in the Republic of Serbia, 18.8% were from the Timok region (25.2% in 2001). The copper production is represented with 65.53% in the total Timok region export. Metal prices, compared with those in 2002 are five times higher, while market demands for all mineral resources have generally increased.

In this sense the Regional Development Strategy has identified within this Strategic development priority three development directions: **exploitation and processing of metallic mineral raw materials; exploitation of non-metallic minerals** (as 1st category) and **coal exploitation** (as 2nd category).

Despite the availability of resources, the mining in Serbia has been stagnating for the last few decades. During this period, the lack of funds for investments and further development caused technological backwardness when it comes to new technologies, lack of and insufficient engagement of professional staff and insufficient control of inspection authorities. As the result, the production became ineffective and inefficient, e.g. the costs of production for one tone of copper have continuously been rising, leading to the point that some of the mines had to cease production (until 2000). The obsolescence of facilities, equipment and technology also caused high degree of environmental degradation, which created a certain sort of resistance to this industry among the local community. However, the economic factors are not the only barriers for the development of this industry. What is also missing are national and regional long-term policy and strategy of exploitation and processing of mineral raw materials, as well as the legislative framework (laws, standards, regulations) needs to adapt to the European legislation and current trends.

The consolidation of the mining sector has been initiated since 2000 by increasing the interest of foreign and domestic investors to privatize and invest into mineral and raw material complex of Serbia with a special attention to the Timok region. Nonetheless, due to its complexity and capital intensity, the complete transformation of this sector could be achieved only by joint and coordinated action of the key actors: the Government of the Republic of Serbia, responsible ministries of mining, energy, environment and spatial planning, Privatization Agency, Agency for Foreign Investments and Export Promotion, Development Fund, the Public Enterprise for Underground Coal Exploitation, Regional Chamber of Commerce, Regional Development Agency Eastern Serbia, Municipalities and banks.

2.1.5 Accessibility and traffic in the region

Accessibility, in the sense of transport, refers to the ability to reach the desired destinations, goods and services, i.e. centres of activities and deposits of natural resources. The improvement of access is the ultimate goal of traffic and transportation

Ultimately, traffic, i.e. transportation, is an end in itself, especially in tourism (e.g. cruising, historic train rides, horseback riding, jogging). Even such, tourist travels mainly have a destination, such as a resort or a campsite. Mobility, i.e. traffic, represents the physical movement whose quality depends on the state of the basic traffic infrastructure – roads, railways, ports, airports.

Settlements in the Timok region are connected by a network of road communications and the territory of the Timok region is also connected with other parts of Serbia by a network of roads of different categories. The road network of the Timok region consists of: 418 km of state owned roads of the 1st category and 816 km of 2nd category (there are no highways or motorways). The local roads cover the length of 1,386 km, but only 53% of them are paved with asphalt, while the rest are dirt roads or made of macadam. There are also 22 tunnels on the territory of the Timok region, but only 2 of them, called Strmen and Grza on the road E761, are lighted. The traffic load on the public road network has increased in recent years at an average annual rate ranging from 2.29% (section Zvezdan – Lubnica intersection on the trunk road M-5) to 6.37% (section Sokobanja - Svrlijig, on the regional road R-121). The decrease at the annual rate of 1.46% has been recorded only in the section of regional road R-105 Žagubica – Borsko Lake.

The density of the road network in the Timok region is above the national average, thus making accessibility of the settlements higher than republic average. However, the road network of the first category is not yet adequate, i.e. it does not correspond to the modern standards, transport vehicles and higher overall design speeds.

Public bus transport of passengers is functioning, but it could not be considered as satisfactory one, especially a network of local lines. Indicators relating to both regional centres, Bor and Zaječar, signify notable lagging of line transport of passengers comparing to the Central Serbia. Although all towns in the Timok Region have bus stations located in downtown, bus transport is poorly organized and there is a small number of passengers. There are up to 10 carriers/providers in the Timok Region, transporting passengers from the Eastern Serbia to Niš and Belgrade and back.

Referring to the total of 3,808 kilometres of **railways** (2008) in Serbia, in the Eastern Serbia there are only 240 kilometres of standard wide railways, which is the share of 6,3% of the total railways in Serbia (the Timok region occupies 8.07 % of the Serbian territory). Though in Serbia there are 1,196 kilometres of electrified railways (2008), there are none in the Timok region. The unfavourable technical state of railway lines in Timok Region is indicated by allowed driving speed between 40km to 80km per hour. A significant amount of goods and people (about 600,000 tons and 456,000 passengers) were transported during 2008. The largest loading was made in the station "Prahovo Pristanište"-Prahovo Pristanište (106,000 tons), and the largest unloading was made in the station "Bor" (173,000 tons). Due to the planned building of connection of port "Prahovo" with the Republic of Romania via the Dam Đerdap 2 in the future, railways in the Timok region would be recognized as of international importance and they will have to meet the EU requirements (particularly with regard to operation efficiency, quality of transport services and infrastructure management). The

current main restraint for further development of railway traffic is a poor state of corresponding infrastructure. It inadequately extends time of travelling and subsequently decreases the amount of passengers, making this type of transport not profitable.

According to the classification of the European Economic Commission (EEC), the Danube in the Timok region belongs to one of the large **waterways**, the highest category of class VII. Therefore, it represents the greatest potential for development of the Timok region. The Danube is navigable throughout its flow through Serbia in the length of 588 km and is a part of the waterway from Rotterdam to Sulina in the total length of 3,505 km and which can connect with the waterways of France, Belgium and the Netherlands and through a channel in Germany to other regions of Western Europe as well. This connects Serbia with large industrial centres of Western Europe. The last existing port on the Danube River in Serbia – Port “Prahovo” is located in the Timok region, 4 kilometres downstream the hydroelectric power plant Đerdap 2 and is connected to other parts of Serbia by railway and roads. It is a so called pool type of a port. An average capacity of load processing per day is 12,000 tons with a simultaneous processing of 7 vessels. The port has three parallel railway tracks, in the total length of 971 meters, enabling simultaneous processing of 160 wagons. However, its technical equipment and supporting infrastructure are in a very poor condition.

For the needs of **air traffic** within the region, there is only potential in “Bor” Airport. Namely, the existence of its basic infrastructure (one take-off and landing track, 1,086x30 meters in length, one airport building together with a tower, a hangar, a terminal and a parking space for 8 small size planes and a heliport), which upon an adequate modernization can be used for tourism, sports and recreational needs, as well as for maintenance of small aircraft and school activities.

2.1.6 Support of entrepreneurship and investments

Serbia was exposed to wars and economic sanctions during the 1990s. The political changes since 2000 have laid the foundation for making a clean break with the past decade of economic decline. Serbia restored macroeconomic stability. Real growth of Gross Domestic Product (GDP) averaged 6.3% per year in the period from 2004 to 2008. The growth was fuelled by high demand linked to a significant credit boom, but also to rapid increase of export. Furthermore, FDI recorded a steady growth since 2005, averaging 7.2 per cent of GDP, and which had the highest value in 2006, when the level of FDI had also recorded a record growth worldwide (the largest since 2001). Also, there have been some improvements in the business environment, by emerging new entrepreneurs, who could use the assistance and support of National Agency for Regional Development, Business incubator centres, Regional Chamber of Commerce and Regional Development Agency Eastern Serbia.

Still, further reforms to strengthen the environment for sustained private sector led growth, including continued structural reforms and privatization, will be vital to ensure that living standards follow the growth trend as in the European countries, primarily in the EU.

In 2009, following the onset of the global financial crisis, the Serbian economy went into recession; data for first half of 2010 indicate a modest recovery. The decline in real GDP in 2009 was 3 per cent, better than most of the other countries of the region. However, the crisis took a heavy toll on jobs. More than 400,000 jobs were lost since the crisis started. Unemployment rate, which was decreasing steadily prior to the crisis, has shot up from 14% in April 2008 to 19% in April 2010. The completion of the privatization exacerbated

redundancies, since the end of the period during which the new owners had to keep labour force coincided with the onset of the crisis. As a result of the crisis, the declining trend in the poverty rate has also been reversed. In fact, poverty has now been increasing for the second year, up from 6.1 per cent in 2008 to 6.9 per cent in 2009 and to 8.8 per cent in 2010.

These negative impacts multiply in socially and economically endangered regions, which need more effort and support to overcome such challenges than strong centres (in type of states like Serbia it is usually the capital city and its gravity zone). In this sense, entrepreneurs and investors in the Timok Region should be stimulated.

One of the main factors which are causing the economical lagging of the Timok Region is in fact its own economic structure which is characterized by the dominance of:

1. *Capital-intensive primary industrial sectors:* production and processing of copper ores, production of non-metals, production of electricity, coal and construction materials and
2. *Secondary industrial processing sectors:* food industry, mechanical industry, metal processing, production of plastic products, chemical industry, production of abrasives, textile, leather processing, wood processing industry.

This predominately industrial character of the region besides its own deficiencies (such as technological obsolescence of infrastructure or inefficiency in the use of material inputs) has also slowed down the development of tertiary sector of services (e.g trade, transport, tourism, food industry, etc.) and quaternary sector – the knowledge-based part of the economy. These facts are demonstrated by the lack of innovation elements used by the current entrepreneurs based in the Timok Region where only 56% rate of national average in research and development investments was achieved (data to 11/2008). The amount of investments per inhabitant is only 28% of national average (data to 11/2008). Also, the supportive instruments for the entrepreneurs should be adjusted to their current needs with emphasis on women and young entrepreneurs. The cooperation between entrepreneurs within the region is negligible and mostly exists in a declarative form only. The regional industrial clusters are underdeveloped, so that the cooperation between large companies and SMEs is limited. The long term planning is almost non-existent in the SME sector. There is a disharmony in content of school curricula and profiles of school graduates with the labour market demands. Therefore, people are not able to find a job and the unemployment rate is currently 25%, which is more than the national average of 19% (data to 4/2010).

These are the basic factors why the Timok Region is hit by economic stagnation, which is reflected in reduced investment activities and slow process of economic restructuring. Therefore, the expected benefits from this cross-sector priority development are: increased competitiveness of local entrepreneurs on regional, national and foreign markets, creation of new, attractive and stable jobs (it will help to keep qualified people in the region), increased attractiveness of the region for potential and emerging entrepreneurs and investors.

2.1.7 Environment

State of the Environment of the Timok region could be labelled as heterogeneous one. National Park "Đerdap" and the Nature Park "Stara Planina" and other protected areas of

virgin nature represent the pride of the region. On the other hand, there are severely devastated areas around the municipalities Bor and Majdanpek caused by exploitation of row mineral materials and tailing of industrial plants.

There are several factors, which influence the state of environment. One of them is waste management. Absence of a complex regional waste management system represents one of major challenges for the region. At present, various types of waste (municipal solid waste, industrial, hazardous...) are being disposed on unprotected illegal landfills, which do not meet basic safety requirements. Organized collection of waste is in the preparatory phase. Other procedures, such as prevention, reuse, separation, recycling, etc., are yet to be planned and implemented.

Based on the state of **the air**, the territory of the Timok Region could be divided into three parts. The less polluted territory covers municipalities of Boljevac, Kladovo, Negotin, Sokobanja and Knjaževac, where air pollution is caused by increased intensity of traffic and the already mentioned landfills. In winter period, the higher concentration of sulphur dioxide and soot is also recorded as a result of heating and operation of industrial plants. The air pollution in the territory of the municipality of Zaječar is multiplied by several industrial activities. The territory of the municipalities of Majdanpek and Bor could be taken as the most polluted. The concentration of suspended particles, sulphur dioxide and soot is very high. Concentration of most metals in hovering dust is within the ILV limits (imission limit values). However, the concentrations of mercury, manganese and nickel have not been monitored and arsenic exceeds the allowable values at the most measuring points.

Not a single surface **watercourse** in the Timok Region falls within the prescribed class of quality and the area belongs to the most polluted ones in Serbia (for some courses there has been no data since 2004). Particularly polluted rivers are: the Borska, the Kriveljska, the Brestovačka, the Veliki Pek, the Mali Pek, the Šaški Potok, the Veliki Timok and the Danube. The main reason for this state is absence of waste water treatment, so that waste water from industry (e.g. the pollution from the waste waters of the copper mine in Majdanpek, with occasional excess of prescribed concentrations of copper, lead and suspended matter), households, leachate from agriculture fields, illegal landfills is discharged directly into the rivers and the negative effects of waste waters are reflected also in unfavorable state of ground water.

The state of **soil** in the Timok region has been partly affected by mining activities around the areas of Bor and Majdanpek, which caused contamination and degradation of terrain, occupation of land with tailing landfills (which could be dispersed by wind) and pollution from dust during blasting of open pit mines. The imminent threat represents the tailing ponds, such as Veliki Krivelj. In the areas of Kladovo, Negotin, Zaječar and Knjaževac the uncontrolled use of fertilizers, pesticides and other agrochemicals caused the decrease of arable land fertility and as a side effect the pollution of surface and ground waters occurred.

Despite that all above mentioned environmental issues and challenges might be labeled as local ones (from the point of view of their occurrence), their consequences have the regional character, which justifies dealing with those environmental issues on the regional level.

Sound environment is a crucial precondition for any human activity. It influences the decision of people whether to live and work in certain area. At the same time, this factor strongly affects attractiveness of the region for new investors and tourists. Expected benefits of working within this cross-sector development priority will be minimization of negative

impacts of already existing environmental burdens and prevention before the creation of new ones.

2.1.8 Regional human resources

Today, in the midst of a complex and turbulent environment, the regional economy and market are developing quickly. In the analysis of their competitive factors, the prevailing understanding is that the bases from which everything begins and on which everything depends are the people and their required competencies and mobility within the region. Knowledge, as the result of the human resources development, is becoming a strategic resource and centre of regional competitive advantage and differentiation in modern economy. In order to strengthen the exploitation of qualified regional human resources, there is a need to seek after methods, procedures and instruments to increase their flexibility and link them with the employers' requirements.

The development and exploitation of human resources within the Timok region could be described as unsatisfactory. The regional unemployment rate of 25% (data to 2010) is seconded by low level of employability of local people, defined as the ability to gain initial employment, to maintain employment, and to be able to move around within the regional labour market. One of the main reasons of this current state is not only the unfavourable economic trend within the world economic crisis, but also an inadequate formal educational arrangement (missing not only modern innovative approaches to the educational processes, but also regional school specialization), as well as ineffective and inefficient distribution of resources which are available within the region.

Moreover, there are also many people who already left the formal educational system with low or inadequate qualification to the current trends and demands of labour market. Therefore the huge expectations are placed on non-formal education, as a part of generally accepted concept of lifelong learning. There are a few educational programs of non-formal character in the Timok region. But then again, they are isolated on local level with no regional "intra-links", with weak cooperation with institutions of formal education, employers, institutions offering employment services, etc.

Nevertheless, the successful exploitation of human resources cannot be measured only by the level of people's employability. They need real possibilities where to apply their qualification on labour markets. In order to do so, the regional perspective to the extent of labour markets should be introduced. Distances within the Timok region create acceptable opportunities for people to move or commute for jobs if supported by appropriate incentives. The possibility of finding suitable job on regional level is incomparable to municipal level. The regional cooperation of relevant actors (e.g. educational institutions, both formal and non-formal, employers, and national institutions, like the National Employment Service) not only brings the richer variety of options, but also creates the internal stability to the exploitation of human resources within the Timok region and lower draining away of qualified people from the region.

The benefits of improved regional employability and employment will positively influence both economic development, via diversifying and transforming the regional economy and attracting foreign investments, and ensuring societal advancement and social cohesion, as an important issue of the quality of life.

|

3 Regional Development Plan

Upon adoption of the Development Policy of the Timok region at the RARIS Assembly, on September 23rd, 2010, the Regional Development Plan has been elaborated.

The Regional Development Plan is based on analytical materials (Profile of the Region, SWOT Analysis, Feasibility Analysis, local, national and sectoral strategies, etc.). It provides guidelines on how to approach (through indicators, measures and activities) during the planning period 2011 – 2018 the objectives and priorities that arise from the Development Policy of the Timok Region.

a. Agriculture and food processing

Development Directions:

- fruit growing and viticulture
- food processing
- organic production
- crop husbandry
- animal husbandry

Objective: To increase the competitiveness of agricultural sector in the Timok Region.

Indicators:

- Income of farmers/producers from agriculture
- Area of cultivated arable land
- Index of yield in agricultural production
- Number of farmers/producers with increased competences
- Existence of supportive system for farmers/producers
- Number of new farmers/producers in the region
- Number of farmers/producers applying innovations
- Number of created agricultural clusters and networks
- Number of common regional branded products
- Subsidies granted to agricultural activities (as a per cent of the GDP) per operating facility

Measures and activities:

1. Increase of land use efficiency

- 1.1. Propose a system of stimulating measures to local producers for cultivation of fertile soil
- 1.2. Make suggestions to state level for a more efficient use of the state-owned land
- 1.3. Improve the use of the existing food industry capacities and develop new ones where possible

2. Design and implement a modern life-long learning system for farmers / producers

- 2.1. Adapt curricula of high schools and colleges/universities to the modern trends in agriculture sector
- 2.2. Develop a capacity building programmes for farmer/producers
- 2.3. Deliver a capacity building programme activities (workshops, trainings, seminars, conferences, demonstrative farms etc.)

3. Formation of supportive system for farmers / producers

- 3.1. Develop a system of specialized and favourable agricultural loans
- 3.2. Establish/strengthen the consultation institutions (e.g. Agribusiness development Centre. This Centre can integrate a number of already existing or newly founded institutions. It can function as umbrella institution that will network them and manage them in a certain way.)

4. Introduction of innovations and innovative approaches into agriculture sector

- 4.1. Transfer and implement the knowledge of professional, research and scientific organizations into practice
- 4.2. Accelerate a rapid replacement of out-dated technical equipment by e.g. establishing a regional agricultural machines fleet
- 4.3. Introduce modern quality management systems and health safety standards
- 4.4. Create the regional agricultural offer – regional marketing, common branding of agricultural products
- 4.5. Strengthen the existing and creating new cooperatives, clusters and associations.

b. Power industry based on renewable resources

Development Directions:

- geothermal energy
- biomass energy
- solar energy
- wind energy
- hydropower

Objective: To increase share of energy produced from local renewable sources in the Timok Region.

Indicators:

- The share of energy originating from renewable sources in total energy consumption
- Number of jobs created in connection with production and distribution of energy originating from renewable sources
- Income from selling of energy originating from renewable sources in connection with production and distribution
- Number of subjects (households, institutions, entrepreneurs...) using the energy originating from renewable sources.

Measures and activities:

1. Establishment of supportive environment for production and use of energy originating from renewable sources

- 1.1. Elaborate the necessary studies and analyses on utilization of potential of concrete RES in the Timok Region
- 1.2. Establish counselling and coordination mechanisms
- 1.3. Suggest improvements which would reduce the administrative demands in the process of RES implementation

2. Strengthening capacities in the field of production and use of energy originating from renewable sources

- 2.1. Develop awareness raising and capacity strengthening programme (training of experts...)
- 2.2. Deliver activities of awareness raising and capacity strengthening programmes (training of experts...)
- 2.3. Support the establishment of training centres for the use of renewable energy
- 2.4. Support the training of experts for the use of RES.

3. Technical preparation for pilot investments in production and use of energy originating from renewable sources

- 3.1. Identify suitable technical solutions
- 3.2. Select appropriate facilities, lands, buildings
- 3.3. Assist in preparation of technical documentation for selected solutions.

c. Tourism

Development directions:

- cultural tourism
- health (spa) tourism
- mountain tourism
- nautical tourism
- rural tourism
- specialized forms of tourism (hunting, speleology...)

Objective: Increase the competitiveness of the Timok region as a tourist destination.

Indicators:

- Average occupancy of accommodation facilities
- The number of tourists visiting Timok Region (total and per month)
- Number of overnights (total and per month)
- Ratio of number of tourists in the region to number of tourists in Serbia
- Revenue from tourism
- The average length of stay of tourists
- The share of foreign tourists in the total number of tourists
- Number of offered regional (overreaching municipal level) complex tourism products

Measures and activities:

1. Improvement of tourism management

- 1.1. Initiate creation of regional destination management organization
- 1.2. Create regional strategies for selected forms of tourism
- 1.3. Design and run modern and integrated tourist information system
- 1.4. Develop regional marketing for tourism

2. Preparation and support to investments aimed at development of tourism

- 2.1. Creating conditions for renovation and upgrade of the existing accommodation facilities in the region
- 2.2. Preparing and promotion of prospects for investments into tourism development
- 2.3. Support to establishing additional incentives for investors interested in construction of new, modern tourist facilities
- 2.4. Provide support to preservation and advancement of the existing cultural and natural tourist attractions
- 2.5. Provide support to revitalization of town cores, improvement and promotion of trade services (pedestrian and shopping areas, local crafts and art galleries and workshops, etc.)
- 2.6. Support to introduction of the tourist signs system and thematic signs of tourist tours' itineraries (Wine Routes, Routes of Roman Emperors, Monasteries' Tours, UNESCO, etc.)
- 2.7. Support to establishing tourist info-centres, information billboards with maps, tourist attractions and resources.

3. Creation and enhancement of quality tourism products and services

- 3.1. Advancement of complementary services – organizing additional activities for tourists (excursions, short tours with local guides, festivals, parties, etc.)
- 3.2. Contribute to the improvement of the system of categorization of all accommodation facilities in the Timok region in accordance with international standards.
- 3.3. Advancement of the gastronomic offer and its adjustment to the demands and characteristics of the modern tourist by using local food and liquors
- 3.4. Support local entrepreneurs and companies in creating of new products based on the specific motivation of certain market segments: e.g. the rural experience, horseback riding, sailing, extreme sports.
- 3.5. Support the improvement of the work of travel agencies and incentive for the development of inbound tourism with the expansion of services offered to tourists
- 3.6. Raise the capacities (knowledge, skills, motivation) of people employed in tourism
- 3.7. Support the introduction of the tourist quality system in public and private sector.

d. Exploitation and processing of mineral raw materials

Development Directions:

- exploitation and processing of metallic mineral raw materials
- exploitation of non-metallic minerals
- coal exploitation

Objective: To increase the effectiveness and efficiency of the exploitation and processing of raw mineral materials.

Indicators:

- Export from the mining sector at the regional level
- Revenue from mining activities
- Revenue from compensation for the use of mineral raw materials achieved in the region from mining activities
- Number of active mines
- Utilization of capacities (the ratio of annual production to the installed production capacities)
- Number of jobs in mining industry
- Level of environmental degradation (the total degraded area)
- Regional share on national production of copper, coal, building materials
- The incidence of occupational diseases (cases per 1000 workers per year)

Measures and activities:

1. Creation of suitable strategic and legislative framework at national and regional level

- 1.1 Participate in the preparation process of the national Strategy for managing mineral and raw materials complex and elaboration of other relevant documents
- 1.2 Propose changes and improvements to national laws which concern the sector of exploitation and processing of mineral raw materials
- 1.3 Propose the regional policy/plan of the exploitation and processing of raw mineral materials

2. Maximization of the performance of existing facilities and setting up of new locations for exploitation and processing of mineral raw materials

- 2.1 Initiate modern, innovative methods and technological processes and equipment for exploitation and processing of mineral raw materials with regard to the environment
- 2.2 Identify new perspective areas for exploitation of mineral raw materials
- 2.3 Propose the elaboration of investment projects/plans for selected areas
- 2.4 Develop and deliver capacity building programs for managerial professions in mining industry in the Timok region
- 2.5 Provide support for the introduction of modern quality management systems
- 2.6 Provide support for the increase of cooperation between the actors within the Timok region, as well as on the national level in order to develop and strengthen the mining industry and post-mining activities.

3. Reduction of the negative impact of mining industry on the environment

- 3.1 Initiate the rehabilitation of the polluted and degraded areas around the existing mines
- 3.2 Identification of existing mining waste landfills, with the possibility of using the mining waste as technogenic raw materials for alternative use and processing of mining waste
- 3.3 Propose a system to measure local/regional impacts of the mining industry on socio-economic and environmental characteristics/performance of the region.

e. Accessibility and traffic in the region (the quality of moving freely)

Objective: To increase the level of accessibility from outside and within the Timok Region.

Indicators:

- Length of repaired roads
- Length of newly build roads
- Length of reconstructed railways
- Amount of loaded and unloaded goods in the port
- Number of public transport passengers
- Number of built detours/bypasses
- Number of docked vessels in the Timok region, staying longer than 6 hours
- Length of built bicycle tracks.

Measures and activities

1. Improving existing and building of new transport infrastructure

- 1.1. Provide conditions and prepare implementation for construction, reconstruction, equipping and operation of state roads of the first and second category, as well as other transport systems (spatial-planning, fundraising...)
- 1.2. Harmonize the development of traffic infrastructure with the planned process of urbanization, development of urban centres and settlements
- 1.3. Accelerate reconstruction of the existing municipal roads, roads of the first and second category and construction of new roads
- 1.4. Initiate the construction of detours/bypasses around municipal centres
- 1.5. Support the reconstruction of technical and other elements of railways, in accordance with European requirements
- 1.6. Analyse the possibilities of revitalization and modernization of the port "Prahovo" as an intermodal centre of the Timok region
- 1.7. Secure conditions and prepare implementation for construction, reconstruction, equipping and operation of marinas and piers on the Danube in the Timok region
- 1.8. Secure conditions and prepare implementation for construction of bicycle tracks in the Timok region
- 1.9. Analyse the possibilities of modernization, technical equipping of the "Bor" airport and advancement of air traffic in the region.

2. Improving the quality of public transport system

- 2.1. Elaborate system for planning of the public transport incorporating aspects of geographic distribution of activities, destinations, settlements, etc.
- 2.2. Analyse the needs of the region and potentials for advancement of the public transport
- 2.3. Introduce coordination mechanism of public transport providers
- 2.4. Prepare the set of activities for support of public transport services providers

3. Initiating the introduction of system for multimodal freight transportation

- 3.1. Elaborate concept for multimodal freight transportation
- 3.2. Initiate first steps (analyse the preparedness of project documentation, potential sources of funding...) of realization of multimodal freight transportation system.

f. Support of entrepreneurship and investments

Objective: Increase competitiveness of entrepreneurs in the Timok Region by improving support environment for entrepreneurship in the Timok Region.

Indicators:

- Existence of regional innovation strategy
- Number of entrepreneurs applying innovations
- Number of created industrial clusters and networks
- Employability of local people within regional labour market
- New investments (in mil. EUR) in the region
- Number of new entrepreneurs in the region
- Number of entrepreneurs expanding to national market
- Number of entrepreneurs expanding to foreign markets
- Number of common regional branded products
- Number of women entrepreneurs

Measures and activities:

1. Introduction of innovations and innovative approaches in entrepreneurship

- 1.1. Realize the awareness building campaigns amongst the entrepreneurs in the region on the necessity of innovations
- 1.2. Support the creation of cluster association and networking of companies and formation of business-technology incubators;
- 1.3. Elaborate the Innovation Strategy of the Timok Region
- 1.4. Build a counselling mechanism

2. Harmonization of the human resources competencies to the demand of regional labour market

- 2.1. Build managerial competences (knowledge, skills, motivation)
- 2.2. Adapt curricula of high schools and colleges/universities
- 2.3. Requalification of people with inappropriate education

3. Improvement of support instruments for existing and emerging entrepreneurs and new investors

- 3.1. Reconsider and improve the offer of supportive institutions according to the entrepreneurs' needs with emphasis on women and young entrepreneurs
- 3.2. Support local entrepreneurs in penetration on national and international markets
- 3.3. Develop a strategy and build capacities for acquiring new investments
- 3.4. Prepare locations with appropriate technical infrastructure for establishment of new investment.

g. Environment

Objective: Improve the quality and increase protection of environment

Indicators:

- Amount of produced municipal waste
- Amount of produced industrial waste
- Amount of material recovery from municipal waste
- Amount of material recovery from industrial waste
- Number of illegal landfills
- Existence of regional environmental data
- Amount of people connected to water supply systems
- Share of treated waste water in the total amount of waste water generated by households
- Share of treated waste water on total amount of waste water generated by industry
- Number of serious environmental accidents (e.g. hazardous liquids leak from tailing pond)
- Number of people with increased awareness about the importance of environment / environmental protection

Measures and activities:

1. Creation of modern, complex and innovative waste management system in the region

- 1.1. Establish the regional system for waste collection
- 1.2. Establish the regional system for waste prevention, separation, processing, recycling or disposal

2. Modernization of environment monitoring systems

- 2.1. Analyse the current state of environment monitoring systems in the Timok Region
- 2.2. Introduce technologically up-to-date monitoring systems of substances and particles which are specifically important to the Timok Region

3. Improvement of water resources management

- 3.1. Improve the infrastructure of water supply systems
- 3.2. Support the establishment of waste water management system for households
- 3.3. Support the establishment of waste water management system for industry

4. Tackling of most dangerous and imminent environmental threats

- 4.1. Carry out securing of the riskiest tailing ponds
- 4.2. Initiate the rehabilitation of old environmental burdens
- 4.3. Increase local and regional preparedness on negative impacts of climate change

5. Increase public awareness about the importance of the environment / environmental protection

- 5.1. Develop a public awareness raising program

- 5.2. Deliver a public awareness program activities
- 5.3. Establish information-consultative regional mechanism.

h. Regional human resources

Goal: To improve regional employability and employment in the Timok region

Indicators:

- Graduates employed in the field of their study in the region
- Number of people employed in the region
- Number of people with increased qualification
- Unemployment rate in the region

Measures and activities:

1. Adaptation of formal education system to current demands and trends

- 1.1. Support the specialization of secondary vocational schools with regard to regional factors (accessibility, traditions, labour market demands, etc.)
- 1.2. Innovate university/college curricula with regard to the European modernization agenda (the Europe 2020 strategy, the Strategic Framework for European Cooperation in Education and Training (ET 2020) and the Bologna process) for higher education e.g. European Credit Transfer System (ECTS)
- 1.3. Contribute to the improvement quality of teachers and managers of formal educational institutions
- 1.4. Create conditions for development of exceptionally gifted children and youth
- 1.5. Initiate the institution of regional school career advisors
- 1.6. Set up regional educational cluster (schools, employers, non-formal educational institutions) as a coordinating and knowledge sharing platform
- 1.7. Improve the state of buildings, materials and technical equipment of schools

2. Creation of conditions for the regional non-formal education mechanism

- 2.1. Analyze the demand and define requirements for non-formal education on various target groups (e.g. unemployed, seniors, employees, managers, members of municipal parliaments – soft skills, processes, public administration staff)
- 2.2. Design and deliver training/educational programs for coaches and trainers of non-formal education
- 2.3. Establish clearing house for knowledge and information exchange among providers and clients of non-formal education

3. Introduction of regional perspective to employment

- 3.1. Elaborate the system for evaluation of effectiveness and efficiency of existing activating labour market programs and monitoring system of graduates employability on the regional labour market
- 3.2. Identify and implement new forms of employment services and tools for the unemployed (actively looking for jobs) using potential and opportunities in the whole Timok Region
- 3.3. Create regional partnerships between public and private organizations which offer employment services (e.g. agency for temporary employment, youth cooperatives, National Employment Service, etc.)

4 Indicative list of project ideas

The indicative list of project ideas represents examples of projects for the realization of each of the priority measures of the Regional Development Plan. This list should serve RARIS and all development partners in the Timok region as example of projects for the implementation of the Regional Development Strategy. As its name implies, this list gives only brief descriptions of projects, examples of activities, potential holders of projects and estimates of values and in no way should be seen as final or a single list of project ideas.

AGRICULTURE AND FOOD PROCESSING PROJECTS

Measure 1:

| Title | Founding of a Regional Collection and Distribution Centre |
|----------------------------------|--|
| Short description of the project | <p>The subject of the project is the construction of a Regional Collection and Distribution Centre for fruits, vegetables and organic products in which collection and production, storing, packaging, refinement and processing thereof would be carried out.</p> <p>The main objective of the project is the improvement of agricultural production (of fruit, wine, livestock and organic products) on farms in standardized technical and technological conditions of production and under the supervision of a professional advisory service.</p> <p>The following will be realized through this project:</p> <ul style="list-style-type: none"> • Packaging and refinement of fresh and/or processed products in commercial packages with a higher degree of finishing and processing. • Successful and efficient storing of products. • Construction of a storage room, packaging room and cold storage according to European standards will be enabled. <p>The project should address the issue of production on small farms (plots) by modern technologies and standardized work procedures to ensure the homogenization of products and aggregate the production by associating on the principles of proportional participation in profits.</p> |
| Responsible institution | <p>Newly founded Agribusiness Development Centre, RARIS, Municipal administrations that are going to be the participants of the programme, Regional Chamber of Commerce in Zaječar, National Agency for Regional Development, Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia.</p> <p>The owners of the Centre should be the farmers who participate in the activities of the collection and distribution centre on the principles of complex-long term cooperation, as well as, potentially, local cooperatives, clusters, etc. Professional advisory service, know-how and supervision will be provided by PMU in collaboration with Agribusiness Development Centre and RARIS.</p> |
| Value € | <p>Depends on the planned initial capacity of the facility, the planned equipment and capacity of the cold storage with EU standards EUR 3,000,000</p> |

Measure 2 and 3:

| Title | Programme for development and capacity building of interested entities in agriculture |
|--------------------------|--|
| Short description of the | <p>The subject of the project is training of all interested entities in agriculture: farmers, advisers, representatives of local self-governments – departments for economy/agriculture, agricultural and other inspectors, Rural Development Network, LED offices, etc., at the regional level.</p> |

| | |
|-------------------------|--|
| project | <p>The main objective of the project is capacity building of the interested entities at the regional level (on segments of technique and technology of production, cooperative association and clustering, storing, packaging, food safety, organic production, branding of products, marketing, etc.), by organizing workshops, trainings, seminars, conferences, demonstration farms, etc.).</p> <p>Also, the objective is to train the trainers in the region: training of municipal administration personnel in charge of agriculture, capacity building of advisors, agricultural and other inspectors, etc. – training of trainers.</p> <p>The project should raise the awareness on the importance of cooperation in the process of aggregating of production at the level of the region.</p> <p>The project should train the potential participants and resolve the issue of their commitment to gradually develop production at the regional level for the market on the principles of branding of products and aggregating the production of small but highly specialized producers.</p> |
| Responsible institution | Newly founded Agribusiness Development Centre, RARIS, Regional Chamber of Commerce in Zaječar, Municipal administrations that are going to be the participants of the programme, Ministry of Agriculture, Commerce, Forestry and Water Management of the Republic of Serbia. |
| Value € | EUR 150,000-250,000 |

Measure 3:

| Title | Establishment of a regional revolving fund for agribusiness development |
|----------------------------------|--|
| Short description of the project | <p>The subject of the project is the establishment of a regional revolving fund for agribusiness development.</p> <p>The main objective of the project is funding of projects or individual lines at the revolving bases (procurement of agricultural machinery, equipment, transport equipment, foundation flock, inputs, etc.)</p> <p>The start-up funds in the Fund would be provided from the Ministry of Agriculture, Commerce, Forestry and Water Management of the Republic of Serbia, local self-government and a donor.</p> <p>The administrator would be a bank that could provide additional funds from international sources for financing and placement through its branches at the regional level.</p> |
| Responsible institution | <p>RARIS, Municipal administrations that are going to be the participants of the programme, Ministry of Agriculture, Commerce, Forestry and Water Management of the Republic of Serbia.</p> <p>The owners would be the Municipalities from the region that will participate in the project.</p> |
| Value € | EUR 500,000-1,000,000 |

Measure 4:

| Title | Branding of agricultural products from Timok Region |
|----------------------------------|---|
| Short description of the project | <p>The subject of the project would be development and implementation of branding of Timok region and individual products and/or services.</p> <p>The main objective of the project would be highlighting particularities of the region for the purpose of its recognition outside the region, thus achieving development based on local values and potentials.</p> <p>Given the experience of other regions, the project would be funded for 3-4 years (from the total of 7-10 years, that would be necessary for full development of the regional and of individual brands), whereupon it is expected that the project will achieve its sustainability.</p> |
| Responsible institution | RARIS, Municipal administrations that are going to be the participants of the programme, Ministry of Agriculture, Commerce, Forestry and Water Management of the Republic of Serbia. |

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| | The owners would be the Municipalities from the region that will participate in the project. |
| Value € | EUR 700,000 for the whole period of 3-4 years |

POWER INDUSTRY BASED ON RENEWABLE RESOURCES

Measure 1:

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| Project title | Developing a study on the potentials of energy production from renewable sources in the Timok region |
| Short description of the project | <p>The project objective is to support the creation of initial conditions for the production of energy from renewable sources.</p> <p>In the area of the Timok region, it is necessary to analyse the available potentials for energy production - hydro, solar, (geo)thermal, the amount of available biomass, energy needs in the region and potentials to create income by selling power through the technical and economic studies, feasibility studies, development plans, dynamics, estimates of required investments, etc.</p> <p>The study, except for engineering, should also include an analysis of administrative and legal norms and the capacities in the region and propose ways to overcome barriers in these fields, if any. Also, the study should include an analysis of a possibility of establishing a fund, from which the first projects of energy production from renewable sources would be partially funded and which could be financed by the municipalities, donations, from the central level, the banks and others.</p> <p>The Study should analyse the possibilities of organizing a "Regional Projects' Development Fund", which would be used for the preparation and implementation of individual projects in the field of renewable energy sources. The Fund could combine multiple funding sources – local self-governments, economy, national level sources and banks</p> <p>The study should show as much benefit as possible – except for financial, it should also show environmental impacts, as well as impacts on education, job creation and more.</p> <p>Activities:</p> <ul style="list-style-type: none"> • preparation of scope of the Study • procurement of out-sourcing services • elaboration of a Study • promotion of a Study |
| Responsible institution | RARIS is responsible for developing the study on the potential, in cooperation with the active municipalities from this region, the potential and existing enterprises – energy producers and the responsible ministries. |
| Value | The estimated valued of the project is about 80,000€ |

Measure 2:

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| Project title | GREEN ENERGY PRODUCTION - Improving the capacity of municipalities of the region in order to increase the production and use of energy derived from renewable resources |
| Short description of the project | <p>The project objective is to build the capacities in the municipalities from the region at the level of municipal governments to establish support for the production and use of energy derived from renewable resources of the Timok region by organizing workshops, training sessions, seminars, demonstrations of successful forms of cooperation, etc.</p> <p>The project should analyse the possibilities of forming a training centre for renewable energy in the region, in which support would be provided for training of experts for the use of renewable energy resources, in which projects would be presented, support for forming an association provided, practice for young people performed, etc.</p> <p>The project should analyse the possibilities of connecting with the training institutions outside the territory of Serbia, as well as with institutions and enterprises in the area of energy production from renewable resources in developed countries and in the immediate neighbourhood.</p> |

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| | The capacity Building Programme for municipalities will be designed and delivered. Activities: <ul style="list-style-type: none"> • preparation of a project concept • elaboration of a study on establishment of a training centre (collection of proposals for training centre location and selection of location, refurbishment need of a building, equipment needed, networking, type of training, training topics, selection of candidates...) • preparation of further steps |
| Responsible institution | RARIS is responsible for the implementation, managing and maintaining of the project in cooperation with the active municipal governments and the interested parties. |
| Value | The estimated valued of the project is about 200,000€ |

Measure 3:

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| Project title | Preparation of pilot projects for the use of the energy derived from the renewable resources |
| Short description of the project | The project objective is to carry out identification of pilot projects in the field of energy production from renewable resources and provide support to preparation of documents necessary for the realization of the first projects. The possible projects would be analysed and the way of their realization – locations, types of projects, activities, the required investments, holders and other benefits. A standardized part of technical documentation would be developed for the selected projects. Activities: <ul style="list-style-type: none"> • Gathering project proposals • Preparation of project proposals • Study on proposed projects – what are benefits, strong points, deficiencies... • Definition of criteria for project selection • For selected projects – preparation of technical documents, studies, etc • Promotion of implemented activities The project results would then be used to find a partner – preferably a partner from the country, but it would be best to find one from the region. |
| Responsible institution | RARIS is responsible for the implementation, managing and maintaining of the project in cooperation with the active municipal governments and the interested parties. |
| Value | The estimated valued of the project is about 300,000€ |

TOURISM

Measure 1:

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| Title | Advancement of Regional Tourism Products of Eastern Serbia |
| Short description of the project | Current trends of tourism growth in worldwide has made it necessary to strengthen regional partnership and the creation of regional tourism products of Eastern Serbia, which would increase the quality of offer and also increase the number of tourists. The project objective is improvement of the economic development of eastern Serbia through a systematic and planned development and promotion of the tourism offer. Activities: <ul style="list-style-type: none"> • Identification of the tourist potential and marketing research in eastern Serbia. • Development of a Study for the formation of selected types of regional tourism products • Development of regional promotional material • Study tours for tour operators and travel journalists in eastern Serbia • Joint promotion at domestic and foreign tourism fairs |
| Responsible institution | RARIS and/or Regional Tourism Organization (RTO) |
| Value € | 200.000 |

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| Title | Eastern Serbia Rural Tourism Development Strategy |
| Short description of the project | Rural tourism is one of the six directions of tourism development, identified in the Regional Development Strategy. For the improvement and development of this form of tourism, a strategic document needs to be developed that would define the current situation and resources and set strategic directions of development. The project objective is to advance conditions for tourism development in eastern Serbia, by creating a Regional Rural Tourism Development Strategy. Activities: <ul style="list-style-type: none"> • Development of a diagnostics of the current state of rural tourism in eastern Serbia • Development of the Eastern Serbia Draft Rural Development Strategy and public hearing • Development of the final version of the Strategy and its adoption • Promotion of the Eastern Serbia Rural Development Strategy |
| Responsible institution | RARIS in partnership with 8 Municipal tourist organizations |
| Value € | EUR 60.000 |

Measure 2:

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| Title | Support for Investments Focused on Tourism Development |
| Short description of the project | Tourism infrastructure in Eastern Serbia is not at the level of competitive tourist destination neither in quality nor in quantity. The long and largely unsuccessful privatization and the lack of investors make the overall situation even less favourable. The project objective is to advance tourism offer of the region, by encouraging and promoting investments. Activities: <ul style="list-style-type: none"> • Forming a database of potential locations and investment projects in eastern Serbia • Promotion of investment opportunities • Establishment of the Regional Tourism Info - Centre and local information centres • Establishing of additional incentives for investors in tourism. |
| Responsible institution | RARIS would coordinate the implementation of projects in cooperation with the 8 municipalities of Eastern Serbia |
| Value € | EUR 100,000 |

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| Title | Reconstruction of the Old Central Town Cores |
| Short description of the project | Central town cores in all towns of eastern Serbia need to be thoroughly reconstructed and turned into centers of trade, crafts, art galleries and workshops. This would raise the competitiveness of tourism offer, towns would get a new appearance and the complementary spending in tourism would be significantly increased. The project objective is the development of tourism in Eastern Serbia by reconstruction of central town cores. Activities: <ul style="list-style-type: none"> • Elaboration of the Study for Revitalization and Development of central urban cores for the purpose of transforming them into pedestrian and shopping zones, craft centres, art galleries and workshops. • Presentation and promotion of results of the Study • Preparation of project technical documentation for the reconstruction of central town cores |
| Responsible institution | RARIS would coordinate the implementation of projects in cooperation with the 8 municipalities of Eastern Serbia, in which the business sector (public private partnership) would also be involved. |
| Value € | EUR 300.000 |

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| Title | Valorisation of Cultural and Natural Tourism Attractions in Eastern Serbia |
| Short description of the project | <p>The competitiveness of the eastern Serbia tourism is also based on cultural and natural attractions, some of which are many thousands of years old, or originate from the beginning of the Christ's Era or the Middle Ages. By the introduction of these sites into the tourism offer, the works on conservation and improvement of sites themselves must be carried out. The question arises, as what is/should be the level of investment into these facilities and attractions that can be valorised through tourism.</p> <p>The project objective is raising the competitiveness of tourism in Eastern Serbia by valorisation of cultural and natural tourist attractions.</p> <p>Activities:</p> <ul style="list-style-type: none"> • The development of the Study of the revitalization and conservation of archaeological sites and cultural monuments of eastern Serbia • The development of the Programme for the restoration and conservation of archaeological sites and cultural monuments in Eastern Serbia • The development of programmes promotion of tourist attractions |
| Responsible institution | RARIS would coordinate the implementation of projects in cooperation with the 8 municipalities of Eastern Serbia and the Regional Tourism Organization (RTO), |
| Value € | EUR 150,000 |

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| Title | Putting up Tourist Signalization in Eastern Serbia |
| Short description of the project | <p>The tourism in Eastern Serbia is significantly lagging behind the competing destinations in terms of the lack of tourist signs.</p> <p>The project objective is raising the competitiveness of tourism in eastern Serbia by advancement of tourist signalization.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Preparing a study of the development of tourist signs in eastern Serbia • Development of tourist signalization in eastern Serbia • Development thematic tourist tours for all 6 tourism development direction, (cultural tourism, health tourism, mountain tourism, nautical tourism, rural tourism, specialized forms of tourism) • Development of signalization of thematic tourist tours (Wine Routes, Routes of Roman Emperors, Monasteries' Tours, UNESCO, etc.) |
| Responsible institution | RARIS and/or Regional Tourism Organization (RTO), |
| Value € | 450,000 |

Measure 3:

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| Title | Development of capacities of the people employed in tourism |
| Short description of the project | <p>Tourism and hotel industries worldwide and in Serbia are ever more facing with the problem of human resources who need new knowledge, skills and capacities in order to manage a tourist destination, in order to succeed to recognize its strengths and weaknesses and to position it at the tourist market.</p> <p>The main objective of the project is raising the competitiveness of eastern Serbia as a tourist destination by training of the personnel.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Training of tourism personnel and the people employed in tourism (on-the-job training) • Training for hosts in rural tourism and eco-tourism • Exchange of experiences and good practice examples / study tours to developed tourist regions in the country and abroad |
| Responsible institution | RARIS, Regional Chamber of Commerce, (RCC) and Regional Tourism Organization (RTO) |
| Value € | 300,000 |

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| Title | Introduction of the tourist quality system |
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| Short description of the project | <p>For the competitiveness of tourism in Eastern Serbia to be raised, it is necessary to introduce tourist quality system in public and private sectors. The quality system should be adapted to modern standards that are applied in developed, tourism countries.</p> <p>The main objective of the project is raising the competitiveness of eastern Serbia as a tourist destination by the introduction of the tourist quality system.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Development of a study for the introduction of tourism quality system in eastern Serbia • Presentation of the Study for the Introduction of the Tourism Quality System to public and private sectors • Development of standardized technical documentation for the introduction of tourism quality systems |
| Responsible institution | RARIS, Regional Chamber of Commerce and Regional Tourism Organization (RTO) |
| Value € | 100,000 |

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| Title | Advancement of the system of categorization of accommodation facilities in eastern Serbia |
| Short description of the project | <p>Categorization of accommodation facilities in eastern Serbia is not adjusted to the international standards. The category of a facility varies depending on the type of the facility and it is by far the least organized among private property-owners. The main objective of the project is support to the development of tourism in eastern Serbia by advancement of the system of categorization of accommodation facilities.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Analysis of the current situation of categorization of accommodation facilities in rural tourism in Eastern Serbia • Training on the international standards of accommodation facilities categorization in rural tourism • Development of a study with recommendations for the improvement of the system of categorization of accommodation facilities in rural tourism in Eastern Serbian |
| Responsible institution | RARIS, Regional Chamber of Commerce, (RCC) and Regional Tourism Organization (RTO) |
| Value € | 40,000 |

EXPLOITATION AND PROCESSING OF MINERAL RAW MATERIALS PROJECTS

Measure 1:

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| Title | Elaboration of the regional mining development plan/ programme of the Timok region |
| Short description of the project | <p>The project objective is the development of economy at the regional level and the increase of the employment.</p> <p>In the area of the Timok region, it is necessary to analyse the situation and the development potentials, to realize modernization and development of mining capacities and infrastructure based on the basic techno-economic data, feasibility studies, construction programmes, schedule, evaluation of investment requirements, etc.</p> <ul style="list-style-type: none"> • conduct an analysis of the effects of mining and of the increase of mining activities • provide a plan and programme of measures and activities by defined priorities • establishing and monitoring indicators of sustainable development of mining at local and regional level <p>Resolving potential conflicts between spatial planning, environmental protection and mining activities, by adjusting the spatial development plans, areas under state protection and environmental protection to the plan and programme of regional</p> |

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| | development of mining in the Timok region. This will allow further attracting of investments in this branch of the economy and thus create benefit for local communities. |
| Responsible institution | RARIS is responsible for the development of the regional plan, in cooperation with active mining companies, municipalities of the region and MEMSP. The project owners are local governments and MEMSP. |
| Value € | The estimated value of the project is about EUR 70,000 – 100,000 |

Measure 2:

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| Title | Capacity building and advancement of programme for the municipalities of the region towards increasing the performance of mining |
| Short description of the project | <p>The project objective is to build capacities in the municipalities of the region at the local government level for the purpose of establishing an efficient cooperation with mining companies in the territory of the Timok region, by organizing workshops, trainings, seminars, demonstrations of successful forms of cooperation, etc.</p> <ul style="list-style-type: none"> • Recognizing the needs of stakeholders (e.g., town-planning and development documents, training of mining personnel in secondary schools, healthcare, socially responsible mining, reimbursement of claims, compensation from the use, etc.). • Propose the development of investment projects / town-planning documents for selected areas perspective for the exploitation of mineral raw materials. • Carry out capacity development programmes at universities for managers in the mining industry. • Provide support for the introduction of modern quality management systems in mines. • Provide support for the increase of cooperation between the municipalities themselves and mining companies and future investors in the region. <p>The project should resolve the problems of lagging of the municipalities of the region in resolving the important issues for the development of mining on the one hand and to recognize their own benefits through successful cooperation with the mining economy at the regional level.</p> |
| Responsible institution | RARIS is responsible for the implementation and management of the project in cooperation with the mining economy, municipal governments and stakeholders. |
| Value € | The estimated value of the project is about EUR 80,000 – 100,000 |

Measure 3:

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| Title | Mining waste management – development of a Cadastre of mining waste in the Timok region |
| Short description of the project | <p>The project objective is to carry out identification, classification and categorization of the disposed waste generated through mining activities in areas of active and abandoned mines in the Timok region.</p> <ul style="list-style-type: none"> • The spatial identification of sites where the exploitation had been or is being carried out. • Determining the mining waste disposal sites. • Sampling and laboratory testing of samples. • Classification and categorization of the mining waste. • Selection of mining waste as technogenic raw materials. • Development of a GIS database for mining waste. • Proposal of measures and costing of rehabilitation. – The plan for management and rehabilitation of mining waste disposal sites <p>The project should resolve the issue of mining waste in a way prescribed by EU directives through defining the degree of risk and the way of managing the waste.</p> |
| Responsible institution | RARIS is responsible for the implementation and management of the project in cooperation with active mining companies, Institute of Mining and Metallurgy from |

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| | Bor, municipal governments and the MEMSP. The owner of the GIS database is MEMSP. |
| Value € | The estimated value of the project is about 150.000 - 200,000 |

ACCESSIBILITY AND TRAFFIC IN THE REGION

Measure 1:

| Project title | Preparation of the transport infrastructure reconstruction programme |
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| Short description of the project | <p>The project objective is to provide conditions and prepare implementation of transport infrastructure reconstruction in the region.</p> <p>In the area of the Timok region, it is necessary to analyse the needs for measures of rehabilitation of transport infrastructure in the region, namely: road, railway, waterway and air.</p> <p>Based on the necessary measures, it is necessary to create an infrastructure rehabilitation programme, with short, medium and long term measures, required budgets, capacities and time of implementation of specific activities.</p> <p>Infrastructure rehabilitation programmes may include development of transportation studies, traffic studies and feasibility studies, as well as development other types of technical documentation, types of projects, urban development documents and other planning and technical documentation, as well as the required works and the type of the works – rehabilitation, reconstruction, construction, etc.</p> <p>Activities:</p> <ul style="list-style-type: none"> • selection of members for the working group • collection of data • analysis of data • elaboration of the infrastructure rehabilitation programme • presentation of the programme <p>Projects and measures in the programme should be consistent with the existing regional plans of a higher order – the Spatial Plan of Serbia and the Regional Spatial Plan of the Timok region.</p> |
| Responsible institution | RARIS is responsible for the development of the infrastructure reconstruction programme, in cooperation with the active municipalities of the region and offices of the responsible public enterprises in the region. |
| Value | The estimated value of the project is about 50,000€ |

Measure 2:

| Project title | Establishment of regional body for public transport in the timok region |
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| Short description of the project | <p>The project objective is to improve the capacities in the municipalities of the region at the level of municipal governments for the purpose of well operating public transport.</p> <p>The project should include the establishment of good cooperation between municipalities, population and service providers of public transport. Also, the analysis of the possibilities of establishing body at the regional level dealing with issues of public transport should be foreseen by the project and which would, among other things, deal with:</p> <ul style="list-style-type: none"> • Assistance and support to municipalities, i.e. consulting on the best ways of transport, taking into account the advantages, costs, times and other factors of public transport, based on the analysis of the needs of the region and available potentials. • Analysis of the budget for public transport that is the obligation of municipalities (transportation of students). • Regulation and licensing of operators of public road transport (buses, taxis, etc.). • Monitoring of public transport on the road network in the region. • Support to public transport service providers. |

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| | The body would have a close cooperation with the municipalities, i.e. local self-governments, the responsible ministries and public transport service providers. The project would include establishing of such a body, development of a work programme, the required budget and the way of its functioning. |
| Responsible institution | RARIS is responsible for the implementation, managing and maintaining of the project in cooperation with the active municipal governments. |
| Value | The estimated value of the project is about 40,000€ |

Measure 3:

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| Project title | Development of the Study of the Establishment of a Multimodal Centre in the Timok region |
| Short description of the project | <p>The project objective is to prepare conditions and environment for forming of an multimodal centre in the area of the Timok region.</p> <p>Activities:</p> <ul style="list-style-type: none"> • preparation of the Study of the Location, including analysis of different locations. Possible locations for the multimodal centre would be analysed, the most optimal location in terms of distance from roads would be chosen, in terms of transport potential, in terms of minimum investment, reloading possibilities, etc. • preparation of the Pre-feasibility Study. The pre-feasibility study would also produce technical parameters – which facilities, equipment, labour force are needed, as well as the financial parameters of investments, analysis of income, expenditures, NPV, return periods and others. • Promotion of the study <p>The Study would be consistent with the existing Spatial Plan of the Republic of Serbia, as well as the Regional Spatial Plan of the Timok region.</p> <p>The project results would then be used to find partners and financiers.</p> |
| Responsible institution | RARIS is responsible for the implementation, managing and maintaining of the project in cooperation with the active municipal governments and the interested parties. |
| Value | The estimated value of the project is about 250,000€ |

SUPPORT OF ENTREPRENEURSHIP AND INVESTMENTS

Measure 1:

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| Title | Strengthening competitiveness through raising the innovativeness of SME sector in Eastern Serbia |
| Short description of the project | <p>The level of awareness of the importance of the concept of innovation and its role in economic development is very low in the SME sector in the region.</p> <p>By creating the necessary preconditions for the application of new knowledge and technologies in the region through acceptance of innovative practice for SME sector, it will come to:</p> <ul style="list-style-type: none"> ⌘ Increasing the level of competitiveness of the SME sector in the region of Eastern Serbia. ⌘ Increasing the level of cooperation between the SME sector and regional organizations providing support to businesses and scientific and research institutions for the purpose of better innovative practices. <p>Activities:</p> <ul style="list-style-type: none"> • Development of a Study on the innovative potential of SME Sector • Training in the field of innovation and Intellectual Property Rights for SMEs from the region. • Creating an innovative profile for 100 companies. • Development of the Eastern Serbia Innovation Strategy. • Adoption of the Innovation Strategy and forming of the Innovation Council of Eastern Serbia, which will monitor the implementation of the Strategy. • Promotional campaign on innovativeness. |

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| Responsible institution | The project holder is RARIS, with the Faculty of Management Zaječar, Regional Chamber of Commerce Zaječar and LED offices as partners. |
| Value € | The project value is 200,000 EUR and the project duration is 36 months. |

| Title | Support to cluster development in Eastern Serbia |
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| Short description of the project | <p>The current situation in the SME sector in the region indicates a low level of awareness on the possibilities which the sectoral networking provides and the advantages of working within a cluster.</p> <p>Project objective:</p> <ul style="list-style-type: none"> To increase the competitiveness in the SME sector in Eastern Serbia through supporting cluster associating. <p>Activities:</p> <ul style="list-style-type: none"> Identifying the existing clusters in the region. Realization of a series of promotional trainings for SMEs in the region on benefits of working in a cluster, with the presentation of existing initiatives. Defining the statistical clusters in the region (3* method can be used). Selection of potential clusters to which technical support will be provided to develop into organized clusters. Management training of the existing and selected potential cluster initiatives. Promotion of the existing and selected cluster initiatives. |
| Responsible institution | The project holder is RARIS, with the Faculty of Management Zaječar, Regional Chamber of Commerce Zaječar, associations of entrepreneurs and LED offices as partners. |
| Value € | The project value is 100,000 EUR and the project duration is 24 months. |

| Title | Improvement of the work of business incubator centres of Eastern Serbia |
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| Short description of the project | <p>Currently, there are five Business Incubator Centres in the region of Eastern Serbia (Knjaževac, Zaječar, Boljevac, Bor and Kladovo), that are more or less left on their own in their work and fail to provide the full level of support to their tenants.</p> <p>Project objective:</p> <p>Improving support to companies in the initial stage of development through the improvement of work and establishment of a regional network of business incubation centres.</p> <p>Activities:</p> <ul style="list-style-type: none"> Preparation of the survey with users of BICs, which will lead to a list of unified services. Management training of Business Incubator Centres. Forming of a network of BICs. Inclusion of scientific and research and educational institutions in the operation of the network in order to create new services for tenants of BICs. |
| Responsible institution | The project holder is RARIS, with BIC, Bor, Kladovo, Boljevac and Knjaževac, RCC, the Faculty of Management Zaječar as partners. |
| Value € | The project value is 200,000 EUR and the project duration is 24 months. |

Measure 2:

| Title | Youth Entrepreneurship |
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| Short description of the project | <p>On the average, 300 SMEs are being opened annually in the region of Eastern Serbia. Participation of young people, up to 25 years of age, in owners of newly opened SMEs is less than 3%. One solution to this problem is to raise the level of entrepreneurship awareness in the final year students of secondary vocational schools in the region.</p> <p>Project objective:</p> <p>Promotion of entrepreneurship, as the model of resolving youth unemployment.</p> <p>Activities:</p> <ul style="list-style-type: none"> Design and delivery of awareness raising campaign |

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| | <ul style="list-style-type: none"> • Conducting of trainings for training of trainers (on the average, two trainers for each municipality from the region). • Holding workshops for secondary school students (promotion of entrepreneurship, business plans ...) • Organization of counseling, advisory and consultancy for potential young entrepreneurs • Organization of mentoring for young entrepreneurs who started their business |
| Responsible institution | The project holder is RARIS, with secondary vocational schools from the region and LED offices as partners. |
| Value € | The project value is 150,000 EUR and the project duration is 18 months. |

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| Title | Harmonization of educational profiles with the needs of the economy in the region of Eastern Serbia |
| Short description of the project | <p>Statistics show that, on the average, only 20% of graduated secondary school students find jobs in their profession in the region of Eastern Serbia. One reason for this lies in fact that the education system is unable to meet the needs of the economy in the region.</p> <p>Project objective: To reduce unemployment rate and increase the productivity of the regional economy by harmonizing the secondary schools curricula with the needs of the economy.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Forming of the Regional Education Council in which representatives of educational institutions, business sector, regional and local authorities and representatives of the Ministry of Education of the Republic of Serbia would have seats. • Develop a Comparative Study of secondary schools curricula and actual demand of regional labour market • Prepare the proposition of secondary schools curricula adaptation based on the findings of Comparative Study • The application the curriculum by the appropriate educational institutions. |
| Responsible institution | The project holder is RARIS, with the Ministry of Education, vocational schools from the region and municipalities in the region as partners. |
| Value € | The project value is 200,000 EUR and the project duration is 24 months. |

Measure 3:

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| Title | Establishment of a regional revolving fund for development of women entrepreneurship |
| Short description of the project | <p>Statistics shows that approximately only 12% SMEs owners in the region of Eastern Serbia are women. One way to increase this percentage is the extension of the possibilities for credit support through the formation of a regional revolving fund for women entrepreneurship.</p> <p>Project objective: Reduce the unemployment rate among the female population and thus achieve gender equality.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Forming the Council Fund in which representatives of regional and local authorities, representatives of business sector and banks would have seats. • Development of procedures for the operation of the Fund. • Securing the initial funding for the operation of the Fund • Selection of the bank that will service the loans on the open competition. • Promotion of the Fund. |
| Responsible institution | The project holder is RARIS, with local self-governments and LED offices as partners. |
| Value € | The project value is 400,000-700,000 EUR and the project duration is unlimited. |

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| Title | Improvement of the work of business support institutions in Eastern Serbia |
| Short description of the project | <p>There are approximately 7,000 entrepreneurs and companies in the region of Eastern Serbia. The percentage of companies which use the services of business support institutions, of the Regional Chamber of Commerce Zaječar, of RARIS, of LED offices, is below 15%. In order to increase the number companies that use consulting services, the services provided by institutions for supporting SME sector should be adjusted to entrepreneurs needs.</p> <p>Project objective: To increase competitiveness of the SME sector in the region of Eastern Serbia through adjustment of services of institutions for providing support to businesses to real needs of the sector.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Analysis of services provided by institutions for providing support to SME sector. • Development of a Study on the needs for services of the SME sector. • Definition of a new set of services that would be provided by institutions for providing support to the SME sector. • Introduction of new services into the business support institutions. • Promotion of new services. |
| Responsible institution | The project holder is RARIS, with Regional Chamber of Commerce and LED offices as partners. |
| Value € | The project value is 150,000 and the project duration is 18 months. |

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| Title | Establishment of an Investment-Information System, mapping resources of the Region of Eastern Serbia |
| Short description of the project | <p>The region of Eastern Serbia has a large number of potential locations for both Greenfield and Brownfield investments. In addition to lacking information on locations, the problem is caused by an unorganized and unsystematic quality of the existing information.</p> <p>Project objective: Attracting new investments into the region by facilitating access to information to potential investors through electronic resource maps.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Definition of the standard set of information for the description of potential locations for investors. • Collecting information on the existing locations for Greenfield and Brownfield investments and recording the state thereof. • Development of a Web platform for presentation of locations for investments. • Training in the use of the system. • Promotion of the results. |
| Responsible institution | The project holder is RARIS, with regional and local self-governments, Regional Chamber of Commerce and LED offices as partners. |
| Value € | The project value is 150,000 EUR and the project duration is 24 months. |

ENVIRONMENT

Measure 1:

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| Title | Construction of the regional landfill "Halovo" |
| Short description of the project | <p>The project objective is the construction of the regional landfill "Halovo".</p> <p>This project is on-going and until now the work on the development of technical documentation has being done. So far, the following has been done from the National Investment Plan funds: general design, pre-feasibility study, regional waste management plan, three municipal waste management plans and detailed regulation plan.</p> <p>From the IPA funds, the development of the following is currently in progress: conceptual design for construction of the regional landfill and transfer stations, Feasibility Study and the Environmental Impact Assessment Study of construction of the</p> |

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| | <p>regional landfill and transfer stations.</p> <p>Activities:</p> <ul style="list-style-type: none"> • completion of the technical documentation (about 150,000€), • resolving the property rights issues (about 300,000 – 450,000 €) over ownership of the land, • upon receiving the necessary approvals and permits, the development of a tender document and the process of procurement of the works (about 75,000€) • forming a regional enterprise for establishing and managing the municipal solid waste system. <p>The estimated value of the works is about 15 million EUR.</p> |
| Responsible institution | RARIS is responsible for the management of the process of the development of technical documentation and managing the project until the formation of another regional institution for solid waste management, in cooperation with the municipalities which participate in the project and the Ministry of Environment and Spatial Planning. |
| Value | The estimated valued of the project is about 17,500,000€ |

Measure 2:

| Title | Modernization of the environment monitoring system |
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| Short description of the project | <p>Serbian Agency for environment protection, as a part of the Ministry for environment and spatial planning, collects different data on environment pollution and protection in Serbia. In addition, the Agency works on further development of the monitoring system, prepares programmes for monitoring and protection, manages the national laboratory and other, on the national level.</p> <p>As an example, data on air pollution are gathered only from Bor, by the Agency. Further widening of the control spots is therefore necessary.</p> <p>Objective of the project is to establish wider network of control points, define programme of measurements and establish a system of data collection, processing and publishing.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Strengthen a connection between the national, regional and local level • Elaboration of environment measurement programme, which will define what is needed to be measured and where is needed to setup control points • Preparation for the purchase of equipment • Purchase of the equipment, in accordance to the programme • Setup procedures for collection of data, data processing and publishing <p>Most important is to setup a permanent connection to the Ministry of environment and its Agency</p> |
| Responsible institution | RARIS is responsible for the management of the project, in cooperation with the municipalities, national Agency for environment protection and Ministry for environment. |
| Value | The estimated valued of the project is about 350,000€ |

Measure 3:

| Title | Pipe rehabilitation project |
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| Short description of the project | <p>Municipalities in the Timok Region have done a lot to solve water supply needs by constructing water catchments, water mains and secondary water supply networks. Average pipe in network is now more than 20 years old and mostly of asbestos-cement. Many leaks in network are draining the water supply sources. Municipal communal enterprises cannot fight the leaks because of many reasons – no equipment, no trained personnel, no financial resources...</p> <p>Therefore, more organized approach is needed.</p> <p>Overall objective of the project is to rehabilitate parts of water supply networks in Timok region and by that reduce leaks, keep water sources, reduce production costs and by that secure additional funds for future works and network enlargements.</p> <p>Activities:</p> |

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| | <ul style="list-style-type: none"> Analyse water supply network in municipalities Define necessary measures and parts of network for pipe rehabilitation combine different sections in different municipalities into one pipe rehabilitation programme prepare necessary designs and drawings Prepare Scope of works, Engineer Cost estimate, Technical condition Prepare tender for material procurement and tender for works |
| Responsible institution | RARIS is responsible for the management of the project, in cooperation with the municipalities, national Agency for environment protection and Ministry for environment. |
| Value | The estimated valued of the project is about 200,000€ |

Measure 4:

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| Title | Increase local and regional preparedness on negative impacts of climate change |
| Short description of the project | <p>There is a need for broad communication of the climate change problems and ways how to deal with them.</p> <p>Overall objective of the project is to raise awareness and capacity of civil society about threats coming from climate change impacts and about its role in preparation and implementation of adaptation policies and measures.</p> <p>Activities:</p> <ul style="list-style-type: none"> Raise awareness and capacity of civil society Mapping of current state Design and delivery of awareness raising and capacity building programs Preparation steps how to address adaptation to climate change impacts Participatory development of pilot climate change impacts policy(ies) in selected socio-economic sector(s) in the target geographical area(s) |
| Responsible institution | RARIS is responsible for the preparation and management of the project, in cooperation with partners. |
| Value | The estimated valued of the project is about 100,000€ |

Measure 5:

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| Title | Raising of public awareness |
| Short description of the project | <p>There is a need for broad communication of the environment protection importance / problems and ways how to deal with them. In addition, there is a strong need to raise awareness and capacity of civil society about possibilities and its role in protecting the environment and solving accumulated problems in environment protection.</p> <p>Overall objective of the project is to raise awareness and capacity of civil society about the importance of the environment / environmental protection and about its role in preparation and implementation of environment protection policies and measures.</p> <p>Activities:</p> <ul style="list-style-type: none"> Designing the raise awareness campaign Implementation of awareness raising campaign i.e. preparing public hearings and discussions, preparing TV broadcasting, expert discussion... Establishing the information sharing regional system (to be combined with the Agency for environment protection) |
| Responsible institution | RARIS is responsible for the preparation and management of the project, in cooperation with partners. |
| Value | The estimated valued of the project is about 100,000€ |

REGIONAL HUMAN RESOURCES

Measure 1:

| Title | From quality schools to quality graduates |
|----------------------------------|--|
| Short description of the project | <p>The overall objective of the project would be to raise awareness and build capacities of managers of formal educational institutions about new trends in school management, development and competitiveness. The following blocks of activities would be realized:</p> <ol style="list-style-type: none"> 1. Analysis of educational needs 2. Develop, both in terms of content, as well as design, educational program in various thematic modules (e.g. process of change and school development planning, marketing, preparation and management of projects) 3. Train a group of teachers/trainers for the delivery in the form of training of trainers 4. Pilot testing of thematic modules in order to get feedback, realize correction of content and form of this type of lifelong learning and accreditation of program. 5. The introduction of this program to offer of continuing education in selected institutions (institutions). <p>The created critical mass of school education staff would not only improve their own schools but will also create preconditions for further essential reforms in the system of secondary vocational education with emphasis to the Timok Region specifics.</p> |
| Responsible institutions | RARIS, Ministry of education, Regional Inspection Office, municipalities of the region, secondary schools from the region |
| Value | € 200,000,- |

Measure 2:

| Title | COMPARE 1 – Competencies for regional development |
|----------------------------------|---|
| Short description of the project | <p>The implementation of development documents such as Regional Development Strategy of Timok Region demands broad competencies (knowledge, skills and motivation) of those who are responsible for the decision-making or day-to-day management. Therefore the overall objective of the project would be to enhance knowledge, skills and shape attitudes of the representatives of local municipalities - both elected and executive officials, in key areas of management of Timok Region development.</p> <p>Blocks of activities</p> <ol style="list-style-type: none"> 1. Identification of the target group 2. Analysis of demand and needs for non-formal education – based on replicable methodology; realized in form of direct inquiry and personal consultations 3. Definition of requirements (most relevant competences) for non-formal education – based on analysis, expert opinions and judgment 4. Design and delivery of training program. |
| Responsible institutions | RARIS, municipalities |
| Value | € 80,000 |

Measure 3:

| Title | Workforce for EU |
|----------------------------------|--|
| Short description of the project | <p>The overall objective of the project would be to increase the employability of people, who already left the formal educational system at university level. The graduates who are unable to find a job would improve and strengthen their knowledge and skills through tailored made educational program in topics like structures and mechanism of EU, preparation and management of programs and projects, etc. These are highly actual topics as Serbian effort to join EU will bring countless opportunities and demand for people with these qualifications. Educational program would be combined with internships at potential employers in order to increase the ability of graduates to transfer their theoretical knowledge into practice, to improve their soft skills (communication, teamwork, conflict resolution, presentation skills, effective negotiation) as well as creation of tighter bound in relationship between employer and employee.</p> <p>Blocks of activities</p> <ol style="list-style-type: none">1. Identification of the target group and potential employers in the region2. Design and delivery of tailor-made educational program3. On-site practice (incl. selection of the best participants to become employees) <p>The project idea could be replicable in future also on other target group of unemployed (tailored to their specific needs and potential application in practice).</p> |
| Responsible institutions | RARIS, local Employers, Labour office |
| Value | € 50 000,- |

5 Implementation principles

Defining of implementation principles is the answer to the need for coordinated and integrated realization of the Regional Development Strategy ("RDS"). The implementation of planning documents such as RDS is a process, which usually does not reflect in the common routine agenda of public authorities in Serbia (implied into their direct competencies). It is also not in tasks and responsibilities of concrete departments. In countries with existing formalized regional self-governments the process of regional development strategies implementation is/or can be clearly seen in relevant organizational structure, directives and internal documents. In case of countries like Serbia, where there is no regional self-government, tailored implementation principles, including newly created bodies/existing structures have to be introduced, this especially considering the new Law on Regional Development and solutions foreseen in it. Implementation mechanisms of regional development strategies in Serbia will be clearer following the establishment of Regional Development Councils at NUTS II level.

Tasks of implementation principles

Tasks of implementation principles are based on the premise that Regional Development Strategy should be implemented via agreed and coordinated activities/projects of all (or at least majority) of RDS stakeholders (with emphasis on municipal public authorities). That is why it is necessary to establish implementation principles (procedures) allowing:

- initiation and collection of regional project ideas for implementation of RDS
- selection of priority project ideas to be further elaborated
- elaboration of approved priority project ideas into full project proposals
- mobilization of resources for projects
- selected projects implementation and administration
- updating of RDS
- evaluation of RDS objectives
- monitoring and evaluation of the efficiency and effectiveness of the mechanism.

Under the initiation and collection of project ideas for implementation of RDS is understood the process in which all relevant subjects will be encouraged and assisted in preparation of project ideas to address regional challenges targeted in RDS. Accumulation of project ideas must be based on openness and pro-activeness of the whole system, enabling stakeholders in the region to come with proposals for projects exceeding municipalities and/or having regional significance and being in line with Regional Development Strategy. Ensuring the availability of qualified information necessary for the preparation of project ideas is also important.

Selection of priority project ideas for further elaboration requires definition and publication of criteria. It is important that the actual selection procedure according to criteria is based on expert pre-assessment with a clear argumentation why each particular project idea was selected or not. The final selection is done by responsible political body (RARIS Assembly may be one of solutions), which should take into account expert pre-assessment.

In order to elaborate and submit full regional project proposals as well as ensure advisory and consultancy services it is necessary to further develop professional capacities at the

regional level (above all of RARIS, but also of all other development partners) which would assist to those who want to formulate ideas and, after approval, translate ideas into projects.

Mobilization of resources for projects includes not only acquiring financial, but also human (professional/expert) and material resources. The role of implementation principles is underlined especially when it comes to more difficult and complex bigger regional projects. It creates preconditions which allow the combination and coordination of various available resources for the project (fundraising from various sources, creation of project professional teams, complementary use of equipment, materials/papers, etc...).

Elaboration of updating mechanism is a the key element within the process of RDS implementation. It enables to react on new coming regional challenges created by changing environment and also to reassess existing objectives, measures and activities. Its setup determines the flexibility of RDS.

Development of updating mechanism is based on the need to design a system which would enable:

- the collection of incoming regional challenges (new problems, needs and opportunities),
- looking for the possible solutions of priority regional challenges and working-out the best possible alternative in the form of goals, objectives, measures and activities
- integration of selected solutions into RDS

Under new incoming challenges is understood all initiatives, incentives, proposals, improvements emerging at the regional level in various forms and from various sources which have not been so far involved in RDS.

Updating is possible on the level of Development Policy (development priorities) development objectives, measures and activities.

Collection, identification and prioritization of regional challenges must run continuously and this process must be formalized in a clear manner of records, communications with submitters as well as the criteria for inclusion of proposed challenge as regional priority challenge. Search for possible solutions and selection of best possible solution is a process that requires the identification of entities/organizations which competences allows themselves to provide professional opinion how to deal with given challenges. It is important that the collection and identification of the best possible solution was the subject of justifiable expert consensus and not only a political decision.

Plan of RDS objectives evaluation will create a framework in order to objectively assess their accomplishment. In case that defined objectives may prove to be unreachable in the given implementation phase, they need to be re-assessed and adjusted in accordance with procedures described in updating mechanism.

Plan of objectives evaluation consists of: measurable indicators, expected/desired values of indicators, time-intervals of evaluation (evaluation can be realized at the end of period for the whole RDS or in the set time intervals during its implementation), assignment of responsibility for evaluation and selection of evaluation approach.

It is understandable that evaluability of RDS depends on the proper setting / defining objectives supported by measurable and realistic observable indicators, while evaluation interval depends on the timeframe to achieve given goal. In the evaluation process is necessarily to involve "external view", either in the form of external expertise through the delivery of independent professional assessment or through opinion of those to whom the goals are oriented. The best scenario is to combine both options.

The evaluation plan of RDS objectives achievement is a process, which also serves to communicate the results of evaluation within RDS stakeholders (with emphasis on municipal public authorities) as well as externally to other socio-economic partners and general public. Therefore, this process must be public, formalized (not formal) and documented. At the

same time it is necessary to use its results either for the change in the next period of RDS implementation or as guidance in preparation of a new strategy. It is necessary to analyze the possible deficiencies and to propose not only methodological, but also organizational and staffing implications.

Monitoring and evaluation are based on a set of indicators that characterize its effectiveness (the way how the IM operates) and also its efficiency (the ability to produce desired outputs and outcomes).

Proposed institutional model of Regional Development Strategy Implementation mechanism

When talking about the implementation of RDS of the Timok region, then we will have two possible scenarios or a combination thereof.

1. Implementation based on public funds
2. Implementation of RDS based on applying with projects at available calls for projects' proposals.

Implementation based on public funds

Prioritization and selection of project ideas for further elaboration requires definition and publication of criteria. It is fundamental that the actual selection procedure according to criteria is based on expert pre-assessment with a clear argumentation why each particular project idea was selected or not. It is usually composed of public sector representatives (mayors of municipalities), and, if appropriate, national authorities who are legitimate to make decisions in major issues of Regional Development Strategy implementation: approval of selected project ideas, initiation and approval of modifications and additions to RDS, endorsement of monitoring and evaluation reports etc. In case there were established a Regional Development Fund, the decision making body could operate as its board. The actual power of the regional decision-making body is a question of number and type of competencies delegated to it by municipal assemblies and national government respectively.

Implementation of RDS based on applying with projects at available calls for projects' proposals

In this case, the proposals must be tailored to suit objectives of the call for proposals i.e. call for projects. Then the decision on what project is going to be submitted at the call for proposals will be brought by experts of RARIS, in consultation with the founders and above all, in consultation with the LED offices and other professional institutions, depending on the theme of the project.

Executive expert body supports decision making in an administrative, expert and managerial way. In the case of RDS of the Timok region, RARIS may have this role initially and later it would be possible to form also a separate body, depending on the scenario for the implementation of RDS. In this case, RARIS is responsible for the management of the whole RDS implementation process what includes coordination of mobilization of financial, human (professional/expert) and material resources, communication within and outside the region as communication hub between all involved bodies, monitoring of process and evaluation of outputs and outcomes from the RDS implementation. RARIS cannot carry out this task by itself, but in close collaboration with all development partners in the region (LED offices, Regional Chamber of Commerce, associations of entrepreneurs, scientific and educational institutions, Rural Development Network, tourism organizations, civil society

organizations, clusters, etc.). Besides its own expertise the executive expert body should cooperate with experts from already existing institutions (both public and private) which have the regional development/development of area in their direct competences. They should be also completed by various thematic experts and their expertise should be used according to actually discussed issues. Their role is to provide independent recommendations for decision making body in the areas such as RDS updating, pre-evaluation of the regional project ideas, integration of related project ideas, recommendations for support of selected projected ideas from eventual regional development fund or other resources, etc. RARIS is also in charge of design and management of regional projects and facilitation of dialogues among different regional actors and interests. The complexity of above mentioned tasks indicates that only vastly experienced organization with multidisciplinary staff can efficiently act as the executive unit.

Regional Development Fund can be established for direct support of regional development activities. Finances should come from municipalities, national government and donors programs. The RDF resources could be used to: co-financing of projects of regional importance, preparation of project outlines/projects which were approved by decision making body, studies needed for updating of RDS, covering expenditure of expert and executive bodies.

Support measures based on the territorial principle imply the possibility to create special national incentive measures, incentives and exemptions that would apply to the Timok region or parts of its territory. The state has already introduced special incentives or exemptions for certain development support programmes, which mainly depend on the category of development of municipalities. Possibilities for improving these measures may be considered and justification and modalities of introducing additional incentives and subsidies may be specially analysed, as well as special tax/fiscal measures that would be related to the implementation of the RDS for the territory Timok region or some of its parts.