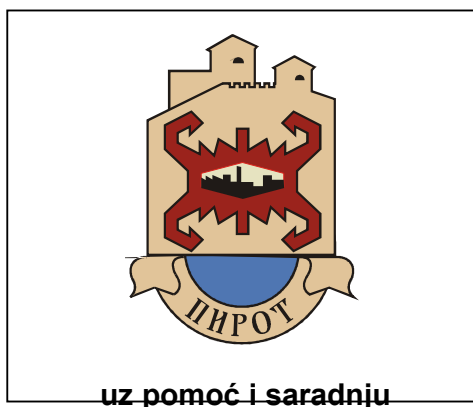


# OPŠTINA PIROT



**gtz** **FIDECO** & Associates  
Municipal Development Consulting Consortium

*Program  
Podrške  
Opštinama  
Istočne Srbije*



## Strateški opštinski akcioni plan 2004. – 2006.

**jun 2004.**

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## FOREWORD

*Pirot municipality, as many other municipalities in Serbia, has passed through a very difficult period which has significantly influenced its developing performance and general quality of life. For this reason it was necessary to make a complete survey of the actual situation in Pirot municipality and to define a strategic action plan of development. This strategic plan represents a turning point of further development of Pirot municipality in the following three years and a basis for various partnerships which are to support the chosen orientation.*

*What has been seen as a great restriction so far is the fact that such documents have never been made at the local level. International donors have also noticed these shortcomings, so they initiated the development in our municipality through the Municipal Support Programme Eastern Serbia directly funded by the European Agency for Reconstruction. This help was welcomed in our Municipality with a hope that we ourselves would finally be able to define the development strategy of Pirot and that we would start a new developing practice by solving some of the problems in the area of infrastructure, local economic development and institution building.*

*To me personally it is a pleasure and honour to have modestly contributed to the elaboration of this document. I would also take this opportunity to express my personal gratitude as well as the gratitude of my fellow-citizens to the European Agency for Reconstruction for their expert assistance first of all and then for financial support in the process which represents the grasping of new approaches to local development; this will, I hope, significantly improve the quality of life in our municipality. I particularly wish to underline the fact that, thanks to this support, we have taken many new initiatives which, with their positive outcome, have indicated a variety of available but so far unused resources of importance for our development.*

*Here is a strategic action plan for Pirot municipality which involves: formulation of a broader vision of the municipality, its missions and values, as well as its basic objectives which should contribute to the realisation of the defined vision. There is also a list of proposed projects that should be implemented in the following three years.*

*Pirot municipality is going to face a period of challenges with an emphasis on a new quality of development towards a rational and sustainable utilisation of natural resources, strengthening of small and medium enterprises as advocates of development, development of the existing ones and establishment of new ones - all this with the aim of making conditions for a better life. The secret of each business success is not only in the strategy itself, but also in the people who set and realise the goals. That is why an active participation of all fellow-citizens in the implementation of this action plan is of great importance. The past should be left behind and the time should be measured by the good things we have done and left to the generations to come. Pirot is a town of young people and many possibilities and we want to identify and develop these possibilities. Our youth and love for this town are not our weaknesses, but our strengths.*

*I would like to invite all citizens to take part in the realisation of our strategic action plan so as to achieve our common goal – a better life and equal possibilities for all. Why should we all take part? Because we ourselves can best identify the problems in our municipality and because we, as citizens, should carry out the reform in our community. Only in this way will the strategic action plan have an impact on our income, pension and education, our lives and the lives of our children. The implementation of the strategic action plan is our civil right and duty, and, finally, we are resolute to ensure a better life for all of us because we know that we can do it and we know how to do it.*

12 April 2004  
Pirot

THE PRESIDENT OF THE MUNICIPALITY OF PIROT  
M.A. Vladan Vasić

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## ABSTRACT

# MUNICIPAL STRATEGIC ACTION PLAN

### 1. Current State of Development in the Municipality

Pirot municipality is located in the south-east of Serbia in the Pirot valley. It is a seat of Pirot region and, according to the area occupied, it is at the third place in Serbia. It borders on many municipalities in the region and on the neighbouring Republic of Bulgaria.

The municipality has a population of about 64,000 people and the average population density of 52 inh./km<sup>2</sup>, which is under the average in the Republic. The absence of a long-term policy of the society towards the family in the domain of social policy, bad material situation and unemployment have resulted in a negative birth rate and a reduced average household size. This does not make our municipality an exception in the Republic, but it does make us concerned and ready to take an organised action.

The problem of unemployment is acute and very difficult. According to the National Employment Service, the number of people looking for job is about 12% of the total number of inhabitants. The actual number of the unemployed is much larger if we take into account a number of enterprises which are not operational, with workers fictively employed. Owing to the fact that the private sector is not fully developed, it is hard to expect that it will take over a number of workers and thus absorb this social tension; this means that in the short run and in the medium run the reduction of unemployment will be very limited.

If we consider the indicators of the achieved economic growth, we can single out the national product which was about EUR 83,830,190 in 2002. The economic base of the municipality is made of industry, which participates with more than 50% in the total national product. The biggest economic subjects are »Tigar« Ltd. and »Prvi maj« clothing industry.

Local infrastructure and public utility enterprises are operational and give service to their customers, but without any possibility of capital investment on their own. Some of restrictive factors are the following: worn-out equipment, written off capital assets of about 80%, as well as collection of payment for services. Each further activity on the improvement of services is limited by the need for considerable financial investment, as well as by the organisational and ownership transformation.

Functioning of public institutions is no exception. Inadequate buildings or the lack of any facilities are, to a great extent, determining and restrictive factors for the overall development of the municipality.

The basic elements of the municipal organisational structure are made of political decision makers (the Municipal Assembly, the President of the Municipality and the Municipal Council) and executives (the Municipal Administration). The highest body of local authority (the Municipal Assembly) is made of 56 delegates. 146 employees work in the Municipal Administration. All municipal bodies have been elected in line with provisions of the latest Law on Local Self-Government. The President of the Municipality is the only executive organ in the Municipality elected by a direct vote. The Council is made up of 7 members and it helps the president do the jobs from his competence. The Head of Municipal Administration is responsible for the work of MAn. The Administration is organised as integrated service of several departments: Department for Economy and Finances (DEF), Department for Town Planning, Utility and Housing Service and Construction (DTPUHSC), Department for General Administration (DGA) and a Department for Non-Economic Activities.

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## 2. *Opportunities and Challenges for Development*

By recognising our strengths and weaknesses, by taking advantage of opportunities and by being more active in the regional, national and international surrounding, we will pursue the strategic orientation aiming at sustainable development.

Our strength lies in restorable natural resources and geographical advantages, in human potential, in harmony and unity of differences, in historical heritage and tradition, in a multicultural community and developed cultural life and in many other things, but also in our resolution to face problems and to work persistently on their solving.

The problems we are facing are, to a great extent, the result of our inner weaknesses. A slow development is a consequence of insufficient development and effectiveness of basic elements of administrative and institutional capacities and the lack of basic strategic documents (that is why there aren't any public and private partnerships and entrepreneurial models in the administration of the municipality), the lack of modern technologies, investments and sources of funding. One of the biggest drawbacks is a considerable rate of unemployment, while expert, professional and educational structures are insufficiently used for more ambitious achievements in the development policy.

Other restrictions are reflected in the lack of many infrastructural conditions for urban, social and economic development such as the condition of public and infrastructure buildings, inadequate systems and measures for environment protection, as well as preparation of design documents, the lack of defined projects and programmes, incompetence of public utility systems to operate as profit-making enterprises and realise considerable investments because they have not made public and private partnerships yet.

Complementarity of natural and human resources at the regional level and geo-strategic location are among the most important comparative advantages and represent a base for establishment and development of sustainable, functional and organisational ties in the Euro-Balkan region.

Opportunities for development are also the following: recovery of municipal property, urbanisation of villages, branding as a possibility for revitalisation of old crafts and agriculture, but also promotion of new projects.

Public utility enterprises play an important part in the functioning of the municipality. On the one hand they are in the service of the citizens and should provide high-quality services, and on the other hand they are important factors of the local economy. Being huge as they are, with a large number of employees and a lot of activities which directly affect all segments of life and work in the municipality, public utility enterprises are very good indicators of the level of development. For the same reasons, they represent a great development potential either by direct participation in the realisation of projects (thus employing their own capacities and production capacities of the municipality) or by being a precondition for improvements in other fields.

External factors are also important restrictive elements of previous development: the lack of sustainable sources of funding, political, economic and monetary instability in the country and region, no unity of the market and unsatisfactory development of market economy, reforms which demand a social and political consensus, unfavourable credit policy and a threat of ecological contamination from the corridor if there are not any projects for adequate protection.

## 3. **Future Perspectives**

Vision and mission represent a real and lively process of creating and changing. The objective defined by them has in its centre a man with all his needs and uniqueness of the

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region. On the basis of old values we create new ones, thus tracing a way to a better, richer and more humane society. By no means should these values belong to an individual only, but to the entire community – each of us should feel strongly about them. If we build such a community, such a municipality, we will build ourselves, because if we improve ourselves, we will improve the municipality and vice versa.

**Vision:** Pirot municipality plays a significant and remarkable role in the region in the expansion of sustainable development, thus paving the way towards its place in the developed community of European cities. By utilisation of natural and human resources, its geographic advantages, embracing the traditional and the modern, building bridges over rivers between people and countries, we will build a democratic, responsible, rich, healthy and humane community in which children will live their childhood in a safe and pleasant way.

**Mission:** The mission of Pirot municipality is to develop and realise strategies through joint activities of all citizens so that the vision can become a reality. In that process it will encourage the economic development, thus increasing the standard of living, keep improving the infrastructure in order to provide high-quality services to the citizens, preserve the environment and responsibly utilize available resources so as to make Pirot an attractive place for living. By encouraging personal initiatives and partnerships, by making use of the geographic location and the existing resources on the way from the traditional to the modern, by recognition of our own values, we are going to build a strong, modern and contemporary community in which a care for man will be the most important task.

**Values:** *Responsibility* through a sustainable attitude towards resources; *Transparency* based on free access to information; *Integrity*, as *professionalism* and the *highest ethical standards*; *Leadership* in municipal management; *Tolerance* based on respect of differences; *Particularity*, through higher standards of services; *Team work* with maximum institutional, representative and direct participation of the citizens; *Devotion* as a complete dedication to the realisation of our vision; *Sustainability* in function of optimal satisfaction of the citizens' needs.

**Strategic objectives** are defined in line with a time period of three years:

*Economic development:* development of agricultural production, especially cattle breeding, and village revitalisation; positioning of Pirot on a tourist market; creation of possibilities for new jobs and for the growth of standard of living through entrepreneurial development; preservation of natural ecosystems and rational utilization of natural resources; encouragement of communication between the local authorities and the economy; creation of a recognisable image and promotion of Pirot municipality at many markets: economic, investing, political, diplomatic, tourist...

*Infrastructure:* a local programme for development and expansion of public utility systems in order to improve the quality of public utility services; construction of infrastructural facilities; strengthening of public utility systems as economic subjects; environment protection and revitalisation; participation in regional infrastructural projects; positive and increased influence on economic growth and on the economy of the municipality; construction and revitalisation of public buildings: completing of design documents, creating strategic documents and projects; rational planning of the area as a restorable resource based on the principles of sustainable development.

*Local institutions and civil society building:* adoption of all already identified missing elements of strategic planning, with the citizens who participate in their creation; increase of the influence of the municipality in the Euro-Balkan region; »Think globally, act locally« as a permanent, practical and valuable orientation of the municipal management aiming at strengthening of the influence on a further process of decentralisation and planning at the

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national level; standardisation of all municipal services; development of public and private partnerships; permanent building of civil conscience and activism that are necessary for sustainable development; increase of budgetary revenues; encouragement of a dialogue among all existing political parties with the aim of arriving at the consensus that is needed for further development of a strategic planning process;

#### 4. Towards the vision

From now on we are going to deal with the following issues in order to pave the way towards our vision:

- Which sectors should be developed in order to increase local economic production and reduce unemployment;
- Which measures will have an immediate effect on economic development and unemployment reduction;
- What to do to make agricultural potentials stronger;
- What to do to activate the available natural and other resources for the purpose of development;
- What to do to help in making an active and motivating business surrounding;
- What to do to make the best of local particularities;
- What to do to encourage development of regional infrastructural projects so as to improve local infrastructural development;
- How to encourage elaboration and completion of design documents, of strategic documents and projects, which are prerequisites for development, investment and other programmes;
- How to protect the environment through adequate infrastructural projects;
- How to improve the quality of public utility services and living conditions by extending the infrastructural network and construction of infrastructural facilities;
- How to improve working conditions and the quality of services and living by construction and revitalisation of public buildings (dealing with spatial and functional problems) so as to make them available to the citizens;
- How to develop public utility systems and make conditions for their functioning as economic subjects so as to improve the quality of public service and living conditions;
- Which institutional capacities in the municipal administration should be strengthened in order to support and improve local economic development in the municipality;
- Which complementary institutional capacities of civil society and business community should be strengthened and improved through municipal activities so as to encourage local economic development;
- Which institutional and organisational capacities in the municipal administration should be strengthened in order to improve services;
- Which institutional and organisational capacities in public utility enterprises should be strengthened in order to provide effective and efficient services for the economic sector as well as for the local population;
- Which measures should be taken in order to improve the budget base of the Municipality so that they can provide better services;

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- Which possibilities should be enhanced in order to increase financial capacities of the Municipality so that it can have a greater impact on local development promotion;
- What should be done to improve the balance between the interests of the Municipality and national plans and methodology.

## 5. Strategic action plan 2004 – 2006

To elaborate a strategic action plan is a complex thing to do because of the contents, the universality and the need to involve a larger number of interested representatives of organisations, institutions and associations, but also the citizens themselves.

The final version of the strategic plan rests upon many basic assumptions:

- the strategic plan defines assumptions for active functioning of both the current municipal administration and future administrations;
- the strategic plan as a process is subject to changing according to a previously defined procedure
- the strategic plan is open to publicity: to adoption of positive ideas, suggestions, proposals and to all levels of decision-making concerning the issues which refer to the defined strategies
- elaboration and implementation of the strategic plan are based on joint efforts and active cooperation between public and private sectors
- valid definition of priorities and management of restorable resources aiming at economic, cultural, educational, sports and health development, with a special emphasis on protection and preservation of the environment
- the period of the strategic plan implementation is three years

In line with the vision, mission and values of the Municipal Strategic Action Plan, the following projects have been proposed:

*Economic development:* elaboration of a SME development strategy; formation of a tourism development strategy; formation of a Municipal Tourist Organisation and promotion of Pirot tourism; formation of an agency for local economic development; turning the regional sheep fair into a regular autumn event; formation of an agrarian fund; finishing of the logistic centre »Gradina« sub-zone; training in running a small business.

*Infrastructure:* completion of strategic and design documents and elaboration of missing studies; elaboration and completion of designs for a waste disposal dump site; rehabilitation of the existing waste site; elaboration of a study and appropriate design documents for the system for wastewater treatment; connection of the Rogoz Channel with the Nišava river; construction of an industrial bridge; reconstruction and asphaltting of local roads; modernisation of streets; preparation of design documents for relocation of the existing bus station and construction of a new one; construction of a pedestrian subway under the railway crossing in direction of Radin Do settlement; construction of

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a small school sports hall in the area of the Secondary School of Economics; preparation of design documents for construction of a new green marketplace; construction of a new History Archives building; construction of a new kindergarten building; elaboration of design documents for an open-air school in Visočka Ržana; reconstruction of water reticulation by placing a chlorinator and making it functional in the villages of Temska, Crnoklište, Osmakovo, Petrovac, Vojnegovac, Činiglavci; change of worn-out water reticulation in the town; construction of a new sewerage in Krupac and Gradašnica villages; elaboration of a study on justification and profitability of heating and gasification development.

*Local institutions and civil society building:* elaboration of missing municipal strategic programmes; Municipal Service Centre; Civil Initiative Service; Civil Society Centre.

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**ANNEX: Profile of developing projects of high priority**

**List of Abbreviations**

GNP	Gross National Product
CHF	Community Habitat Finance, a US Governmental Organisation
NP	National Product
EAR	European Agency for Reconstruction
EU	European Union
GP	General Plan
IEZ	International Entrepreneurial Zone
PIE	Public Information Enterprise
PUE	Public Utility Enterprise
PE	Public Enterprise
PTPC	Public Town Planning Company
SW	Skilled Worker
LEAP	Local Environmental Action Programme
LED	Local Economic Development
SME	Small and Medium Enterprises
MSP-ES	Municipal Support Programme Eastern Serbia
MZ	Municipal Administration Branch Office
NGO	Nongovernmental Organisation
DGA	Department for General Administration
DEF	Department for Economy and Finances

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<b>MAn</b>	Municipal Administration
DTPUHSC	Department for Town Planning, Utility and Housing Service and Construction
SSW	Semiskilled Worker
SP	Spatial Plan
LWTP	Liquid Waste Treatment Plant
PR	Public Relations
<b>NI</b>	National Institute
RCC	Regional Chamber of Commerce
<b>MA</b>	Municipal Assembly
SSE	Secondary School Education
UNESCO	United Nations Scientific Cultural Organisation
ZZZ	Health Protection Institute
PTT	Post Telegraph Telephone
RTE	Railway Transport Enterprise
PTE	Public Transport Enterprise
MIA	Ministry of Internal Affairs

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# **Chapter 1: OVERVIEW OF THE CURRENT STATE OF DEVELOPMENT OF THE MUNICIPALITY**

## **Current state of development in Economy, Infrastructure and Institution building**

*«Create and confirm new measures and values, but do not needlessly scorn and destroy the old ones, as the new ones often rest on them»*

### **1.1 Geographic location and its characteristics, the existing natural resources and other significant characteristics**

Pirot municipality is located in the south-east of Serbia in Pirot valley. It is a seat of Pirot region and according to the surface of 1,232 km<sup>2</sup> it is in the third place in Serbia. It can be found in ancient Roman maps dating from II century a.d. as Mutatio Turre. The Greeks used to call it Pigros, while in the IV century the Serbs named it Pirot.

Pirot is situated 330 km away from Belgrade, 75 km from Niš, and 70 km from Sofia in Bulgaria and 35 km from Gradina border crossing. It borders on the municipalities of Dimitrovgrad, Babušnica, Bela Palanka, Knjaževac and the Republic of Bulgaria in the length of 65 km. The river Nišava runs through Pirot valley as well as two intercontinental main roads: Niš-Sofia railway and Niš-Dimitrovgrad highway. For these reasons Pirot has always been a transit place where people of different cultures and nationalities meet and pass.<sup>1</sup>

There are three regions in the municipality of Pirot: the dominating mountainous terrain which covers 40% of the whole territory, hills and plains, each with 30% of land. 34% of the territory is covered by woods. Some of the most important natural resources are meadows, pastures, lakes, clean potable water, endemic herbs, "Stara Planina" natural park. Abundance in pastures and meadows predestine this region for cattle breeding. There is farmland in the valleys of Nišava and Jerma rivers.

The fact that there are 26 cultural monuments, some of which are on the UNESCO list, indicates that there is a rich historical heritage. Stara Planina with everything that it can offer, Jerma and Temštica canyons, monasteries, Momčilov Grad fortress, Ponišavlje museum, Pirot cultural village, picnic grounds are just some of tourist attractions abounding in this region.

### **1.2 Population and Labour Force Development, Migration Patterns**

According to the 2002 census the municipality of Pirot has 63,791 inhabitants and the average population density 52 inh/km<sup>2</sup> which is under the national average. 49,089 (77%)

<sup>1</sup> *"Being who we are, we have to be the East of the West and the West of the East", the words of Saint Sava about Serbia of those times*

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inhabitants live in urban areas (in the area under GP) and 14,702 (23%) people live in rural areas. There are 71 villages at the territory of the municipality.

Between two census years it has come to fall in number of inhabitants from 67,658 to 63,791. Some vital events show that, year after year, the death rate exceeds the birth rate and there is a negative trend of population growth which amounts to -5.3 in contrast to -8.1 in the region. The average household size of 3 members in 1991 has been reduced to 2.8.

Nowadays, there is a two-way migration towards more developed places, regions or foreign countries. The number of people working abroad was 882 in 2002, and the number of registered refugees in 1999 was 742. In comparison to 1991, there is a considerable migration from villages to suburbs.

Taking into consideration the level of urbanisation just from a demographic point of view, the ratio between the number of inhabitants in the area under GP and the total number of inhabitants, we come to a medium level of urban development of 0.7.

As opposed to most municipalities in Eastern Serbia which are at the stadium of "the most advanced demographic old age", Pirot municipality is in a slightly better position because it is characterised by the "advanced demographic old age". There is an absolute and relative increase in the number of people from the category of old population, while the number of school children is being reduced.

The labour force, as an essential prerequisite of social and economic development, makes 65%, but 20% is unemployed. In the labour intensive economy with dominant low accumulative branches, the structure of employees is rather unfavourable because a large part of labour force consists of SSW and SW workers.

### 1.3 Local Economic Development (LED)

The national product is one of the indicators of the achieved economic growth. In 2002 it was 5,281,302,000.00 CSD or 83,830,190 EUR. The national product per inhabitant in the municipality in 2002 was 82,779.00 CSD or 1,315 EUR. Pirot has always had a substantially larger national product per inhabitant with respect to other neighbouring municipalities.

The economic base of the municipality is made of industry, which dominantly participates in the economic gross national product and from time to time it exceeds 50%. The biggest economic subjects are »Tigar« Ltd. in the industry of rubber products with 4,700 employees and the clothing industry »Prvi maj« in textile industry with about 2,000 employees. Industry takes the biggest part of the economic income with 43.78% in 2001, and then agriculture, commerce, traffic, civil engineering. Industry absorbs the largest number of workers, about 15% of total population. However, low utilization of industrial capacities is the reality nowadays. In public enterprises there is concealed employment because there is a surplus manpower, so serious social pressures are to be expected.

Although the number of inhabitants is permanently decreasing, the number of the unemployed is increasing and job-seeking people amount to 12% of the total number of inhabitants, with predominant I SSE, then III and IV SSE levels of qualification. Besides unemployment, there is no institution of local guarantee fund, no agency and fund for development, no strategic documents. The possibilities lie in natural resources, geo-strategic position, duty free zone, the proximity of Niš and Sofia.

Current economic trends are characterised by successful business in »Tigar« Ltd, the current process of privatisation (since the beginning of 2004, 9 enterprises have been privatised and 19 public enterprises are being privatised), but also by social tensions due to unemployment and irregular payment. The sector of privately owned shops is an interesting feature of the

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municipality. At the beginning of 2004 there were more than 1,000 operational shops in Pirot. More than 50% consist of commercial shops, then crafts, personal services and catering. Tax regulations have led to the closing of many shops, especially of the ones in the flea market.

## 1.4 Infrastructural Development

There are three PUEs within the public utility system: "Vodovod i kanalizacija", "Komunalac" and "Toplana"; two public enterprises (PE): PTPC and PIE "Sloboda" and other national enterprises which have their branches in Pirot. Public lighting and road infrastructure are under the umbrella of the Public fund for construction land.

Water supply of urban areas, regulated by the PUE, is good. Rich springs (365-1940 l/s), insignificant number of defects in the main network and a small number of days with restrictions in water supply ensure a continual water supply of the town population. This gives an image of an organised and well managed system. In the GP area, 99% of population is connected to the town water supply. The average water consumption of over 300 l/conn and the number of the employed are both at the average level as far as undeveloped countries are concerned. There is a regular quality control and the percentage of potable water purity is high (over 97%).

In rural areas the situation is quite different – numerous water supplies are under the authority of MZs and the level of maintenance, condition and water quality do not satisfy the standards.

Sewerage reticulation coverage in the area covered by the public utility system is 98%, which makes 70% of the GP area. The whole industry is also connected to the sewerage reticulation. The number of 0.67 clogging/km per year is an indicator of a stable system, but it allows for improvements. It is a combined system and the main pipeline was laid in 1970.

There is no treatment of industrial waters before being released into the sewerage reticulation and no sewage effluent treatment before reaching the recipient – the river of Nišava.

In rural areas there are not any sewerage reticulations and septic tanks are widely used. As a consequence, the underground waters are polluted, which also applies for wells and local water supplies used by rural population.

Solid waste management: The waste removal coverage in the very centre of Pirot is 98%, in the suburb 90% (about 1,300 households in the GP area, 73 institutions and 220 industrial facilities), while other rural settlements are still out of the system. The percentage of waste removal is 100%.

In rural settlements there is no organised way of solid waste transportation. Waste is usually disposed of in pits, near rivers and roads or in the river itself, thus forming numerous uncontrolled dumps.

Urgent problems are the condition (unconditioned location, no treatment and selection of industrial waste, no separation of secondary raw materials) and the overused existing disposal site which is being rehabilitated and therefore can be exploited till the end of 2004.

Heating system covers residential buildings, public institutions and business premises. 20% of population within GP is covered (which is about 10,000 citizens of Pirot). The system is made of 5 heating plants of different power and 5 independent heating networks for each one. Crude oil is used as fuel. 68.4% of the system is exploited, which leaves enough reserves (about 15.7 MW). It is a stable system and there is a small number of breaks caused by damage and it is even getting smaller over years. There is 20-30% of heating loss and 600m<sup>3</sup> of water loss a year due to leaking from old pipes. Air-pollution is regularly controlled and so far all the parameters of harmful emanations have been within the

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limits of approved values. All this brings us to a satisfactory conclusion about the exploitation and state of the whole system.

The condition of road network in the municipality is unsatisfactory. The entire road network is made of 231 km of roads (45 km of highway and 186 km of local road network, almost 50% of which are streets). The local road network is made of 20% of unasphalted roads, 30% with asphalt in good condition and 50% in bad condition. The average speed on local roads is only 32 km/h, which is rather low if we take into account the fact that the highway is a part of the road network too.

The condition of streets is also unsatisfactory. Despite the »Asphalt for Democracy« programme in 1990s, the results of long stagnation have not been fully eliminated. The index of asphalted streets quality of approx. 60%, the lack of signalisation, disorderly parking places call for significant investing.

The condition of bridges is alarming. It has been inferred by an independent expertise that the carrying capacity is limited and that there is no possibility to reconstruct the existing bridges. The potential danger of «dividing» the city and the needs of industry bring about the necessity to build a new bridge.

Public lighting in the town is rather poor and most often it does not meet the quality standards (20%).

The problem of public lighting in rural settlements is insufficient coverage (50% of public area) and irregular bulb changing. According to official data, the lighting is satisfactory, but the citizens think that at least 40% of total area is inadequately lighted up.

Telecommunications: There are 8 post-offices to meet the citizens' needs. Coverage by fixed telephony and audibility are good (over 21,000 telephone subscribers), but still poor in rural areas. There are two mobile phone networks (063 and 064) and they cover the areas along Niš-Sofia highway and the town of Pirot itself. However, the signal is bad in rural parts and even in upper suburbs.

There is an internet network in the town with the PTT as a provider.

Electro-energetic system: The section in Pirot belongs to the PE seated in Niš. Approximately 200 million kWh a year is consumed in Pirot. Breaks in supply are rather rare, and there are problems such as insufficient voltage in some parts of the town and about 12% loss in the system itself.

Public institutions: The most frequent problems they are facing are the lack of assets and inadequate buildings in which they are placed. There is a need to reconstruct the fortress and the museum, which is a monument under the protection of the state, a lack of adequate premises or a building for the Archives or the public library, which was founded in 1878 – these are important historical and cultural inheritance the reconstruction of which does not mean mere satisfying legal requirements, but much more than that for the entire Pirot.

The town hall is presently non-functional. It can be adapted and additional premises on the ground floor can be bought so as to make more room. This would make the administration more organised and efficient, and the quality of services would be much higher.

The buildings of pre-school institutions, elementary and secondary schools in town have been built with specific purpose and therefore they fulfil the standards. In addition to this, there have recently been some grants for the necessary reconstruction. The lack of capacities in pre-school institutions is evident and it is proved by approx. 200 applications per year which cannot be positively solved.

The situation in the villages is much worse: small number of children and old school buildings, some of which lack the necessary infrastructure (toilets and running water).

One of the priorities of the town is a sports-hall as a place for the young to gather and practice sport. It could also be used for cultural and similar events.

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There are three marketplaces in the town: the green, cattle and flea marketplaces each with different degree of organisation and the quality of service.

*The green marketplace* is in the very centre. It is partly enclosed, so it is not possible to have control over the entrance. It has bad water supply and sewage infrastructure which cannot be expanded because that would do harm to the apartment area around it. There are not any parking places and economic entrances. In addition to this, the marketplace is not roofed, so it cannot offer satisfactory service and conditions to its users. *The cattle marketplace* has been reconstructed in cooperation with the CHF and the quality of service has since improved, but it is still roofless, without proper installations, sewage system, parking places and economic entrances. Meanwhile, a part of it has been given up to the flea marketplace and the problem has become more complex from the point of view of town planning. *The flea marketplace* was built in 2002 and has the best conditions of all these marketplaces. 100% of it is rented out which speaks in favour of great interest among salesmen and the need for further investing in order to improve the service.

The condition of the bus station is a long-lasting problem: inadequate station building, too small area, the location itself which is surpassed by the needs, with no enclosure, platforms, suitable entrances, parking places and other essential services. It is also impacted by other neighbouring buildings.

Town planning and design documents and strategic plans in the field of town planning are of vital importance for the development of the municipality and they represent a base for successful organising and functioning of many systems which are of the interest for the citizens. The scope, complexity and importance of their realisation entails good equipment and qualified human resources in order to complete work of high-quality in due time.

## 1.5 Institutional Development of the Municipality

Basic elements of the municipal organisational structure are political decisions makers (the Municipal Assembly, the President of the Municipality and the Municipal Council) and executives (the Municipal Administration). The main body of local authority (the Municipal Assembly) is made of 56 delegates. There are 146 people employed in the Municipal Administration. All these municipal bodies are elected with provisions of the latest Law on the Local Self-Government. The President of the Municipality is the only executive body in the Municipality in conformity with the election method of direct voting. The Council is made up of 7 members and they help the President do the jobs in his competence.

There are seven Committees formed for the purpose of a more efficient professional performance of the Municipal Assembly. The MA President presides over the Municipal Assembly and there is also a MA Vice President and a MA Secretary. The role of a Cabinet is played by a Board of Heads that is occasionally assisted by the Municipal Council.

The Head of Municipal Administration is responsible for the work of MAn. The administration is organised as an integrated service provided by several departments DEF, DTPUHCA, DGA and DNEA. DEF consists of the section for book-keeping and accountancy and the section for property-rights relations. DTPUHCA consists of the section for town planning and construction and the section for utility and housing service. DGA comprises the section for assembly affairs and the section for general and joint affairs. The sections are further divided into offices, groups and units, which depends on types of affairs.

The quality of service does not keep up with actual possibilities and it is to a great extent a poorly exploited resource. It is possible to considerably improve the service in the following three years by means of standardisation, education of the staff, better organisation,

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improved cooperation with the citizens, equipping and increased number of business premises.

## 1.6 Summary and Conclusions

Major problems we are facing nowadays are certainly the number of actually unemployed people and technological and organisational backwardness. That is why some activities should be done in order to put them in function of intensive technological and economic prosperity and employment: to encourage establishing and functioning of small and medium enterprises, shop-sector, agricultural development and structural transformation of the existing economic facilities.

It is necessary to exert greater influence on creating more favourable working conditions through partnership with the business community and citizens. Local administration is presently not in a position to do much, because it is limited by the Government itself which has greater authority. Non-functioning of some public enterprises brings about social tensions. As in other municipalities, the first phase of transition through restructuring and privatisation has revealed a true number of workers who are actually unemployed, especially in industry.

Public utility systems have for years operated as a means of social peace keeping, rather than as high-quality service providers. The systems have been operational, but without any investments. One of the causes is a high percentage of written-off capital assets and equipment. Therefore since 2000 the primary objective has been fresh investing in development, equipment and capital assets.

Although limited by the surrounding and material resources and without any capital investments, public utility systems provide good services to the citizens. This speaks in favour of rational and responsible business behaviour. The achieved results in the past three years show a successful recovery. The level of self-funding and profit-making is gradually increasing, which is a significant, but insufficient progress. The period is too short for them to make radical changes in the current situation, to get prepared for their own investment programmes and to invest into appropriate projects that will considerably improve the quality of service.

There is a trend of continual drop in money collection for utility services (up to 25%). This could be corrected by a change of the system and more efficient money collection, but also by sanctioning those who do not make payments regularly.

One of the most positive achievements in this period is the first local elections with provisions of the latest Law on the Local Self-Government. This means that the President of the Municipality was elected through direct voting by the citizens themselves, which politically means a big step forward towards democracy.

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## ***Chapter 2: DEVELOPMENT POSSIBILITIES AND CHALLENGES***

### **Factors of Influence, Barriers and Comparative Advantages**

*What stops us deciding to move and break this dark spell  
that encircles us, what holds us stepping on the way  
leading to our goal? \**

#### **2.1 Central Problem and the Related Structure of Problems in the Municipality**

The central problem in Pirot, which has to be faced in the following period, is defined as sustainable development of each of the three segments, according to the international UNSD (United Nations Sustainable Development) standardisation:

- preservation and protection of the environment, taking into account not only its ecological aspect, but also its informative, sociological, cultural surrounding where people live and work;
- economic, i.e. financial aspects of sustainability;
- development of basic values of civil society and activism advancing towards social justice.

It is necessary to define precisely the municipal strategy in the following period regarding

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the complexity of sustainable development. A long period of both isolation and self-isolation has resulted in a big gap in all spheres of life in comparison to the current trends and developed European cities, namely in the system of values, standards, organisation and functioning, solving social and other issues, humanity and tolerance, in the fields of economy, human rights, local authority, protection and preservation of the environment.

On the way to a modern, contemporary society organised in such a way as to suit the man as an individual, there is not a simple and uniform solution that can be copied. To find one's own way free of stereotypes, at the same time creating one's own system of values, setting standards and improving the quality of life – this is an imperative and a measure of success of each community.

The key missing supporting points in the structure of sustainable development are:

- insufficient development and efficiency of fundamental administrative and institutional capacities and the lack of basic strategic documents without which it is impossible to start any strategic partnership or negotiations with investors;
- the lack of modern technologies for sustainable utilisation of available natural and human resources;
- the lack of sustainable financial sources;
- unfavourable expert, professional and educational structure of personnel necessary for the implementation of sustainable development;
- people's awareness of sustainable development is not formed yet, and it is characterised by the obvious lack of elementary activities that are necessary for the realisation of set objectives

## 2.2 Development Factors from the Macro Level Perspective

*Complementary natural and human resources at the regional level* is a factor of primary importance. Pirot is the centre of the region, situated between Sofia and Niš, the third largest city in Serbia and one of future centres in a decentralised Serbia. On a macro plan, this development factor could be of decisive importance for the future of Pirot.

*Political, economic and monetary stability at national and regional levels* with the aim of developing an integrated market and market economy, which implies reforms in order to increase the efficiency of economy.

In order to improve the quality of life, it is necessary to continue with the launched reforms at the national level so as to encourage decentralisation and regionalisation, in the first place by means of a new Constitution.

*National strategy and interstate and regional projects* concerning culture, economy, and infrastructure offer great development possibilities which should be made use of as well.

## 2.3 Comparative Advantages of the Municipality

Pirot, as an administrative centre, is located in such a way as to connect two international corridors – corridor 10 Salzburg-Thessalonica and corridor 4 Oslo-Istanbul. It is 70km away from Niš and 70km away from Sofia. Bearing in mind the fact that the Republics of Bulgaria and Macedonia have already entered the Peace Partnership and that Bulgaria is going to join the EU, it is possible to obtain the necessary support and favourable partnerships by means of participation in joint international and regional projects – projects referring to Stara Planina or corridor 4 Niš-Pirot-Sofia (the road, gas-line, Niš –Dimitrovgrad railway electrification, Duty Free Zone). The existence of geothermal energy resources and the abundance of potable water springs in this area make a good base for joint projects with

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Niš and Bulgarian towns, especially because regional water supply is planned to be constructed along the corridor. The corridor being of vital importance, some members of the EU have started preparing feasibility studies for the realisation of entrepreneurial zones, known in Europe as IEZ.

Because of their significance for the region, an important development potential can be the development of infrastructural systems and construction of facilities such as a regional centre for solid waste management, a system for waste water treatment and the like.

Pirot abounds in significant historical inheritance, which offers possibilities for taking the leading role in the region in the fields of economy, culture and eco-tourism. Potential brands are mainly an unexploited resource, too.

All these resources have not been used to their full potentials. There is still exceptionally deficit and surplus staff in the region. Similarities in social and cultural development, complementary market of labour force, goods and services have not been recognised as development possibilities. This can be a chance for the local authorities to take a more active and energetic approach and impose themselves as a bridge between Bulgaria and Serbia.

## 2.4 Limiting Factors and Development Trends in the Municipality

Pirot is faced with problems that, at the same time, can be seen as possibilities and chances for development. For this reason, each of the limiting factors mentioned below may be interpreted as an unexploited possibility.

The lack of investments is a vital limiting factor. The absence of fiscal autonomy of the Municipality, the impossibility to go into debt on the basis of mortgage which is guaranteed by one's own property, the lack of favourable credits and investments have led to an obvious shortage of fundamental infrastructural prerequisites for economic growth such as good roads, railways and so on.

Public and private partnerships are undeveloped entrepreneurial models. Out of 10 examined elements of institutional and administrative capacities, there are 7 partly present or missing. There is not enough professional influence and former local authorities were preoccupied with current activities and problems, without enough possibilities and potentials to deal with strategic planning and realisation of a long-term well planned development policy.

In enterprises, there is a series of limiting factors of organisational and technical nature, such as: the need to change the structure of qualification and personnel, education of the available personnel, the need for better technical and technological equipment, old and worn-out equipment and mechanisation, the necessity to introduce economic business and the fastest possible organisational and ownership transformation. Important roles should be played by public service inspection on the one hand (they should ensure observing regulations, the implementation of the law and decisions in the municipality by means of permanent control and sanctions) and by media on the other hand (they should have an affirmative role in citizens' education).

Public utility enterprises have not yet started the process of ownership transformation, so this is a significant limitation of development.

A general impression is that there are not only objective but also too many subjective limiting factors which, in most cases, appear to be negative inheritance from the past.

The old model of a centralised system of political authority in Serbia has influenced funds distribution, thus significantly restricting the development possibilities of local communities and consequently of Pirot municipality among others.

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## 2.5 Strengths, Weaknesses, Opportunities and Threats for the Municipality: Analysis of Earlier Development and Possible Opportunities for the Future (SWOT Analysis)

- **Strong points – Strengths**
  - Abundance of potable water.
  - Hydro potentials for electric power production in mini hydroelectric power plants.
  - Unspoiled nature, so that the municipality represents a very healthy environment for living.
  - Great abundance of forests.
  - Natural park foreseen by the town planning of Serbia – Stara Planina.
  - Grazing land and meadows as a significant resource for cattle breeding development.
  - Human resources and multicultural community as a unity of differences in one place.
  - Our resolution and motivation to face the problems and our determination to solve them.
  - Relatively developed cultural life with a rich theatre scene and other cultural contents.
  - Numerous public utility systems with satisfactory service provision, as opposed to the neighbouring municipalities.
  - Initiated process of privatisation.
  - Tradition and historical inheritance.
  
- **Weaknesses – Vulnerability**
  - Insufficient development and efficiency of basic elements of administrative and institutional capacity as well as the lack of basic strategic documents.
  - Level of town planning and design documents preparation and lack of defined programmes and projects.
  - Lack of modern technologies for sustainable utilization of natural and human resources.
  - Lack of motivation due to non-existence of stimulating mechanisms.
  - Insufficient percentage of money collection for public utility services.
  - Public conscience formation about sustainable development is only just initiated.
  - High actual unemployment – 9,000 people officially looking for jobs and several thousands of those who are employed, but do not work.
  - Non-existence of many infrastructural conditions for urban, social and economic development such as modern and well-organised green marketplace, sports hall, non-existence of treatment and purification of waste waters, bad public lighting, bad streets and roads, and so forth.
  - Inability of public utility systems to operate as profitable enterprises and attract large investments.
  - Problems with capital infrastructural facilities: all the bridges are with limited carrying capacity due to dilapidation and it is impossible to reconstruct them; the exploiting period of the waste disposal site will soon be through, which means that there will be problems to dispose solid waste.
  - Huge problems in rural infrastructure – the quality and purity of water, no sewage system and waste disposal sites, bad roads and phone-lines.
  - Decreasing number of rural households with a vision of better living in urban areas.

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- Organisation and synchronisation of the civil society is insufficient, so it cannot be an equal partner to the local authorities in the development of the municipality.
- **Opportunities – Possibilities**
  - Complementary natural and human resources at the regional level.
  - Cooperation with businessmen in the region.
  - Geo-strategic location is a comparative advantage of Pirot municipality and represents a base for the establishment and development of sustainable, functional and organisational links in the region, e.g. Euro-Balkan.
  - Restitution of municipal property.
  - Intensifying the activities of the local authorities so as to affirm entrepreneurial models in municipal management and to increase fiscal autonomy and competence of the Municipality in education, social and health policy.
  - Urbanisation of villages.
  - Cooperation in regional infrastructural projects: regional landfill, recycling centre, system for waste waters treatment, water supply system, gas-line, railway electrification.
  - Brands as development possibilities for revitalisation of the old trades and agriculture, but also for new projects.
  - New Law on Local Self-Government and strategy of Serbia's development.
- **Threats – Hazards**
  - Huge lack of sustainable financial sources as a consequence of an insufficient rate of economic growth.
  - Political, economic and monetary instability at the regional and national levels.
  - Unfavourable loan policy as a consequence of the above mentioned monetary instability.
  - Insufficient level of market integration and market economy development.
  - Threat of ecological contamination from the corridor, the railway line etc. if there is no project for adequate protection.

## **Chapter 3: PERSPECTIVES FOR THE FUTURE**

### **Vision, Mission, Values and Strategic objectives**

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*Wish a lot, aspire boldly, far and high \**

### 3.1. Vision

Pirot municipality has a significant and recognisable role in the region in the expansion of sustainable development, tracing the way towards its place in the developed community of European towns and cities. Using natural and human resources, its geographic advantages, connecting the traditional and the modern, building bridges across rivers between people and countries, we will build a democratic, responsible, rich, healthy and humane community in which children will live their childhood safely and cosily.

### 3.2. Mission

The mission of Pirot Municipality is to develop and realise strategies through joint activities of all citizens, so that the vision can become a reality. In that process it will encourage economic development which will enable the increase in the standard of living, improve the infrastructure in order to be of high-quality service to the citizens, preserve the environment and responsibly utilize the available resources, so as to make Pirot an attractive place for living.

By promoting personal initiatives, partnerships, using the geographic location and the available resources on the way from the traditional to the modern, by recognising our own values we are going to build a strong, modern and contemporary community in which a care for man will be the most important task

### 3.3. Values

*Responsibility* in order to improve the efficiency of local administration and self-government through a sustainable utilization of resources;

*Transparency*, based on free and timely access to information and on the respect of institutions, should stimulate mutual confidence of the citizens and the local self-government, increase the responsibility of clerks and officials, promote equal possibilities for all, security, hope and citizens' optimism;

*Integrity* as a value that will unite professionalism and the highest ethical standards in our municipality;

*Leadership* in Municipal management as a synonym for innovation towards the development of new entrepreneurial models in order to meet the needs of citizens;

*Tolerance* based on the respect of differences of needs and opinion, as well as on humane relations among people;

*Particularity* which is to be demonstrated to citizens through good services of higher standards than agreed;

*Team work* through realisation of goals, activities and communication at horizontal and vertical levels of authority structures with maximum institutional, representative and direct participation of citizens;

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*Devotion* which, in our case, means a complete dedication to the realisation of the vision and strategic objectives of the Municipality, overcoming all transitional and other limitations;

*Sustainability* for the purpose of ensuring a balanced social and economic development, protection of the environment for future generations and civil society development, where full functional and structural interrelatedness is expressed through optimal satisfaction of needs of all stakeholders and individuals.

### 3.4. Strategic objectives

By establishing priorities and good management of resources, their efficient use should be improved in quality. Preparation of adequate conditions, i.e. of a frame for economic, infrastructural and institutional projects entails strategic objectives which are defined for the period of three years.

*In the domain of economic progress* the strategic objectives are:

- improvement of agricultural production, especially cattle breeding, and revitalisation of villages;
- positioning of Pirot at a tourist market;
- creation of possibilities for new job openings and for the growth of standard of living through entrepreneurial development;
- rational utilization of natural resources in order to preserve the eco-system;
- encouraging communication between local authorities and the economy;
- creation of a recognisable image and promotion of Pirot municipality at many markets: economic, investing, political, diplomatic, tourist...

*In the domain of infrastructure* the strategic objectives are:

- Improvement of public utility services by means of a programme for local development and expansion of public utility systems, as economic subjects and initiating factor for the development of the municipality;
- Protection and preservation of the environment through the implementation of infrastructural projects;
- Construction and rehabilitation of public facilities in order to meet specific needs and improve the quality of living;
- Use of geographical position and regional infrastructural projects in order to incite the development of public utility systems and infrastructure in the municipality and to influence the economic growth and the economy of the municipality;
- Finalisation of town planning and design documents, development of strategic documents and projects as prerequisites for development, investing and other programmes;
- Rational management over the area, as a restorable resource, on the principles of sustainable development

*In the domain of local institutions and civil society building* the strategic objectives are:

- Affirmation of strategic planning and citizens' support in the process of identification and implementation of missing elements in the administrative and institutional capacities of the municipality;
- Strengthening the influence of the municipality on the Euro-Balkan region;
- Strengthening the influence on further processes of decentralisation;
- Standardisation of all municipal services in order to improve their efficiency;

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- Development of public and private partnerships with national and international civil societies, international organisations, local authorities in other European towns and cities, business associations and companies;
- Permanent building of civil conscience and activism, which are necessary for sustainable development, through a number of concrete projects;
- Finalisation of the long-term programme for environment protection (LEAP) that has already started;
- Development of new and improvement of the existing motivational mechanisms and forms of activism of those who work in local administration, public enterprises and business associations;
- Increase of our own income participation in the total budget and development of other entrepreneurial models in the management of the municipality with the aim of strengthening the economic base of local economic and social development;
- Development of a dialogue among all existing political parties with the aim of achieving the consensus that is necessary for further development of the started process of strategic planning;
- Preparation of a communicational and informational strategy about authority issues: provision of basic institutional conditions for its realisation, civil activism strengthening and citizen's participation in exercising and control of authorities;

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# Chapter 4: ADVANCING TOWARDS THE VISION

## Formulating Municipal Strategy

*All of us live of the forces we have in ourselves or gain on the way \**

### 4.1 Strategic Issues in Local Economic Development

- Which strategic development should we aspire to in order to increase the economic product and reduce unemployment?

An outline of the development of Pirot municipality includes:

*Industry:* the industry of rubber products »Tigar« A.D. with 70% participation in the GNP. This enterprise is a leader in the economic development of the municipality and it suffers a great pressure in the sphere of employment. Being so big, it is an interesting resource for the development of many accompanying branches.

The clothing factory »Prvi maj« belongs to a branch which should also be supported and developed if we bear in mind the existing capacities and personnel. It is necessary to find solutions for the capacities in the field of milk-, leather-, footwear-production and other industrial branches.

*The sector of private shops, small and medium enterprises (SME)* is a segment which can help reduce the unemployment. For this reason it is necessary to make a SME development strategy.

*Agriculture*, especially cattle breeding because of considerable resources.

*Tourism*, with special attention to: available accommodation capacities, catering facilities, closeness of the high-way, "Ponišavlje" museum and sites such as: Lake Zavojsko, Vrelo, "Momčilov Grad" fortress, numerous churches and monasteries, "Stara Planina" natural park and other.

It is impossible to give just one answer to strategic issues, which are often interrelated and showing a full complexity of the problems.

- *What to do to strengthen potentials for the development of agriculture as an economic activity?*

*Aims:* Improvement of agricultural production as a base of development and revitalisation of villages; improvement of agricultural production as a base of development of other branches; making conditions for the recovery of agrarian industry (milk, leather, wool); education of farmers so as to be more competitive at the market (national and international) and easier access to loan instruments and raw materials in order to attract people to stay or/and come back to the villages.

*Strategies-relevant questions*

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- Education and training in the use of contemporary knowledge to increase competition, marketing techniques, product distribution, modern technologies application and the like;
- Organised support to agriculture with measures which are in accordance with the World Trade Organisation and the European Union;
- Improvement and increasing of livestock;
- Turning the regional sheep and cow fair into a regular autumn manifestation;
- Expert assistance in the organisation and registration of a modern specialised agricultural association and cooperative.

- *What to do to activate the available natural and other resources for the purpose of economic development?*

*Aims:* To make progress through increased agricultural production, revitalisation of villages and development of tourism; to increase activities of the construction department; to open new jobs in tourism, catering and in the factory for water bottling that should become operational; to preserve nature and rationally utilize natural resources; to increase the level of rational utilization of human resources; to increase motivation.

*Strategies-relevant questions*

- Permanent monitoring of potentials for agricultural development;
- Adequate treatment of available natural and anthropogenic touristic potentials and defining the ways of a planned, transit, cultural and recreational development of tourism through a strategy for tourism development;
- Presentation and promotion of touristic values and improvement of the offer by the activities of a Municipal Tourist Organisation which should be established;
- Purposeful use of water abundance in the area of "Dag-banjica";
- Promotion of human resources, especially bearing in mind a large number of unemployed people. The unemployed, as well as the employed, who are interested in starting their own business can be provided with educations on business and entrepreneurship.

- *What to do to help make an active and motivating business surrounding?*

*Aims:* To promote communication between local authorities and economic subjects, and among economic subjects themselves, at both local and regional levels; to make conditions for new jobs and the growth of the standard of living by opening stores and SMEs; to attract capital and investments by offering privileges and discounts; active participation in the regional development.

*Strategies-relevant questions*

- Institutional frames are necessary for the local economic development (such as funds for development, a guarantee fund, an agency, managers and the like) and increased activities of local authorities. The municipality has made contacts with the office for International Labour Organisation and the Embassy of the Kingdom of Netherlands and as a result an agency for local economic development was established to represent the interests of the local self-government, the sectors of business and finances and civil society.
- Provision of special conditions and privileges (made possible by the Law on Free Zones and Duty-Free Regime, stimulating measures of MA Pirot and stimulating measures for the use of services offered by Pirot Free Zone) for business transactions in Pirot Free Zone as well as further representation and promotion;

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- Entrepreneurial development through stimulating measures of the local economic policy (quick registration, low taxes, cheaper business premises...), when more authority is given to the local level.
- *What to do to make the best of local particularities*

*Aims:* Revitalisation of old crafts; development of the clothing industry; development of cattle breeding; establishing of small and medium enterprises; a good placement of local products; increased healthy food production; good positioning of Pirot at a larger scale; creating a recognisable image and promotion of Pirot municipality at many markets: economic, investing, political, diplomatic, tourist...

*Strategies-relevant questions*

- Use and promotion of tradition, such as »pirotski ćilim« (a Pirot rug), a product which has undergone the procedure of geographic origin protection. There is one more procedure which has to be completed – the registration of authorised users of the geographic origin;
  - Starting the initiative for protection of geographic origin of Pirot's hard cheese;
  - Starting the initiative for protection of other products such as Pirot lamb, pottery, pure springs...
  - Recently established Board for Protection and Development of Products from Pirot should professionally assist to all interested subjects at the territory of the municipality in the procedures of obtaining geographic origin certificates and registration of authorised users of products labelled with geographic origin.
- *Which measures will have an immediate effect on economic development and unemployment reduction?*

*Aims:* Economic development and unemployment reduction.

*Strategies-relevant questions*

- Privatisation and activation of non-operational economic capacities will reduce a part of fictitious employment;
  - Initiating of small businesses and institutional support to small and medium enterprises;
  - Starting public construction;
  - Prevention of grey economy and widely spread illegal work through legal and stimulating measures in order to start legal economic and monetary progress. It is necessary to have an inspection service to increase the efficiency of the above mentioned measures;
  - Stimulating SMEs and self-employment through privileges in the regulations of local authorities which refer to public utility services and business premises.
- *Which long-term processes and projects are necessary for the realisation of the entire vision for development?*

*Aims:* Realisation of the vision for development

*Strategies-relevant questions*

- Creation of a recognisable image and promotion of Pirot municipality at many markets: economic, investing, political, diplomatic, tourist-...
- This region has good chances to enhance economic development and solve social issues through a strategy for protection and management of a larger number of local brands;
- Sustainable development of Pirot means economic growth with outstanding social and ecological components and political resolution;

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- Pirot municipality should place itself between modern and traditional potentials and to use the advantages of cheap raw materials and labour force, as well as know-how of modern high technologies.

## 4.2 Strategic Issues in Infrastructural Development

Strategic issues of the development of public utility systems can be systematised as follows:

- *What to do to develop regional infrastructural projects so as to encourage local infrastructural development?*

Presently, there are four projects of regional importance for the progress: gasification (ongoing), regional landfills (being designed), construction of a system for waste water treatment (in a planning phase), construction and reconstruction of Niš-Pirot corridor 10 highway (Niš-Sofia) (implementation about to start).

*Aims:* To develop local infrastructure; to make positive influence on the economic development of the municipality; to activate the capacities of local operative staff and public utility systems for the implementation of projects; to activate and use resources for our own development.

*Strategies-relevant questions* (implemented in other strategic issues and projects)

- *What to do to speed up development and completion of town planning and design documents, of strategic documents and designs which are prerequisites for development, investing and other programmes?*

*Aims:* To observe regulations and deadlines; to elaborate a spatial plan as a strategic document; to create a database as a basis for good town plans for urban development; to solve property-rights relations so as to ensure potential investments; acting within the limits of the law; urbanisation as an objective and a strategy.

*Strategies-relevant questions:*

- Elaboration of a municipal spatial plan;
- Completion of a new GP which would recoup town planning and design documents at low levels, thus offering possibilities and making space for town development, good living conditions and rational management of the area as a resource (completion period till 2004 in accordance with the Law on Planning and Construction "Official Gazette of the Republic of Serbia" no. 47/03);
- GP coverage of the area by low level plans – detailed regulating plans and general regulating plans. Due to this and due to the preparation of a new GP, there is a need to define public area, to map the existing infrastructure and main lines of all public utility enterprises. (decision made by MA Pirot in February 2004);
- The need to quickly and efficiently accomplish the legalisation of buildings so as to solve property-rights relations and define public area; this would ensure investments, expansion and development of public utility systems. (decision made by MA Pirot on defining public area, legalisation in progress);
- Complete use of computerised mapping and data processing, which would simplify the whole process of getting licenses and other documents, and shorten, simplify and improve services, at the same time making the process of creation and changing of plans more efficient;
- One of priorities of the department for geology of the Municipality is joining the project of recording and mapping by digital geo-surveyor, launched by the National

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Institute for Geology, so as to get more precise information and grounds for further work;

- Solving the problem of deficiency of concrete designs and design documents.
- *What to do to protect the environment with suitable infrastructural projects (waste water treatment, solid waste management and water channelling)?*

*Aims:* Solid waste management (solving the problem of solid waste management as a possibility for development of the municipality and public utility systems); promotion of the importance of solving this problem as well as of all positive and accompanying elements for the development of the municipality by providing a positive surrounding and public support to projects; observing the regulations and standards for environment protection; improvement of the quality of water in the Nišava river and reconstruction of a part of its bank to its original condition; defence of the area and facilities from floods; creating a good place for living and ensuring economic progress through development of public utilities, infrastructure and infrastructural facilities;

*Strategies-relevant questions*

- Long-term strategy for solid waste management (public utility, industrial and medicinal, as well as the lack of cattle cemetery), because of the end of the exploiting period of the solid waste site, in accordance with the »National strategy for solid waste management«, a document issued by the Government of Serbia in 2003;
- Rehabilitation and extension of the exploiting period of the existing solid waste site and then its re-cultivation and change of purpose; since there is no long-term strategy, it is necessary to rehabilitate the solid waste site in order to ensure good functioning of the town and industry until a long-term solution is found;
- Prevention of pollution of Nišava basin as a recipient of Pirot's sewerage network; this would change the attitude towards the river and all legal regulations and international standards related to environment protection would be fulfilled; this would also contribute to the development of the Municipality;
- Protection and channelling of river courses in order to prevent flooding.
- *How to improve living conditions and the quality of public utility services (for citizens and industry) by construction of road infrastructure and facilities?*

*Aims:* Better organisation, better conditions and safety in traffic, solving the parking problem; turning the town centre into its old milieu, reduction of air pollution and noise; engagement of local operative staff in works execution; positive experience of all passengers who arrive at a modern, organised and functional bus station and better services; improved living conditions in villages because of good connectivity with the town; safety in traffic because of better roads and good cars.

*Strategies-relevant questions:*

- Reduction of traffic in the town and directing heavy vehicles out of the town by building a new »industrial« bridge;
- Construction of a new comfortable, economically rational and modern bus station based on partnership with PTE;
- Development and better quality of the road network, construction and rehabilitation of streets and local roads and of other facilities.
- *How to improve the quality of service, living and working conditions by construction and rehabilitation of public facilities, i.e. by solving spatial and functional problems, in order to make them more available to the citizens?*

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*Aims:* To improve performance of sportsmen; to provide better premises for cultural, sports and other events; to improve teaching conditions in schools; to offer more attractions in the town; to protect historical monuments and valuable documents; to fulfil legal regulations; to encourage small-scale economy, industry, cultural institutions and other stakeholders; to open new jobs; to provide better services to beneficiaries of public facilities and area; to show better care for children.

*Strategies-relevant questions:*

- More enclosed areas, i.e. construction of a small school sports hall;
  - Construction of a new green marketplace;
  - Construction of a new building for the History Archives to store the archives;
  - Construction of a new pre-school building - kindergarten;
  - Reconstruction and adaptation of the existing building to serve as an open-air school.
- *How to develop public utilities and make conditions for their functioning as profitable subjects so as to improve the quality of public services and living conditions?*

*Aim:* To provide the best possible services (improvement of quality) to more and more beneficiaries (network expansion); to prepare public utility systems for own investments; to make use of international and regional projects in order to develop local public utility systems; to revitalise the systems and their technological advancement.

*Strategies-relevant questions:*

- Improvement of water supply conditions and water quality in rural areas;
- Improvement of water supply conditions in the town by network reconstruction;
- Solving the problem of environment pollution caused by uncontrolled release of drainage waters in rural areas;
- Defining the strategy of heating in line with the regional project of gasification.

#### 4.3 Strategic Issues in Institutional Development

- *Which institutional capacities in the Municipal Administration should be made stronger in order to support and improve local economic development in the municipality?*
  - The department for economy and finances by establishing offices to deal with the development of small and medium enterprises and with creation and effective implementation of regulations that should initiate entrepreneurial development in the municipality;
  - Department for General Administration and Department for Town Planning and Construction, which are of great importance for the registration and starting of new businesses;
  - Department for General Administration and Department for Non-Economic Affairs, which deal with informative and promotional activities of the municipality aiming at a far more intensive activity of the municipality in the region and Europe;
  - Promotion of leadership among political decision-makers, their innovative skills to develop entrepreneurial models in the management of the municipality and to develop public and private partnerships;

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- *Which complementary institutional capacities should be improved and made stronger in the civil society and business community by means of municipal actions, so as to encourage local economic development?*
  - Establishment of a civil initiative organisation with the possibility of turning into a “Civil Society Centre” in accordance with the potentials of the local community;
    - Provision of complete services such as consulting, PR, media and other services for all those who are interested in the forthcoming process of privatisation;
    - Consulting services for investors, not only as employer-employee, but also as owner-stakeholder relation; partner relations with unions, local administration etc;
    - A place of Pirot’s business promotional activities in the world;
    - Centre for civil initiatives articulation directed at the local administration and macro surrounding;
    - Educative and promotional centre for business initiation with specialised courses in competent small businesses, including market research, consulting, elaboration of business plans and provision of loans;
    - Entrepreneurial resource centre at the regional level which will ensure the exchange and optimal use of complementary resources among municipalities in the district, especially among bordering municipalities of Serbia and Bulgaria.
  - *Which institutional and organisational capacities in the Municipal Administration should be made stronger in order to improve services?*
    - Improvement of the capacities of all Departments and Offices which provide direct service to the citizens, especially the level of their integration. For this purpose it is important to:
      - improve the efficiency of services by reorganisation of premises and offices – “papers should circulate, not people”;
      - adopt basic elements of service standardisation, depending on local particularities;
      - increase the level of integration of all services into a single system;
      - have different staff structure and organisation with higher level of integration;
      - form a united database for all departments and offices in the Municipality.
  - *Which institutional and organisational capacities in public utility enterprises should be made stronger in order to provide effective and efficient services to both the economic sector and the local population?*
    - The model of public and private partnerships is not well developed, so it is necessary to identify and develop models of restructuring and privatisation of public utility enterprises in accordance with local particularities, based on positive experiences of other countries in transition.
    - The change of price and cost policy in order to improve profitability.
    - After these radical changes, other market oriented positive consequences can be expected, such as: scientific and technological progress, more efficient work organisation, significantly improved staff and organisational structure of the employed, better equipment. All these things will bring about solutions for acute problems, such as reduction of losses in the system, system revitalisation, more care for preservation and protection of the environment, promotion of public utility systems, increased participation of citizens in the functioning PUEs etc.

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- *Which measures should be taken in order to improve our own budget base for the purpose of better service provision?*
  - It is necessary to form a team for budget preparation and promotion. This team would introduce a draft budget not only to political parties representing the citizens in the Municipal Assembly, but also to the citizens themselves by means of public discussions and their active participation. According to the feedback, the draft budget should be prepared and only after that put into further procedure.
- *Which possibilities should be developed in order to increase financial capacities of the municipality, so as to make greater influence in the promotion of local development?*
  - It is necessary to establish and develop new and sustainable models and instruments of funding and investing in the municipality, especially to improve our own sources of income;
  - Improvement of staff, organisational and technological possibilities of local diplomacy with the aim of affirmation and intensifying of Pirot's participation in regional projects with Bulgarian municipalities and EU towns and cities.
- *What should be done to improve the balance between the interests of the municipality and national plans and work methods?*
  - It is necessary to intensify intermunicipal cooperation at the regional level and make a strong district lobby which would be able to impose itself as an important partner in preparations of projects and programmes at the national level. It would make use of Niš as the third largest city in Serbia and of complementary resources at the regional level;
  - Through the SCTM, the Ministry of Public Administration and Local Self-Government and the Parliament, by voting for new laws and changing of adopted ones, the representatives from the district in the National Parliament should join forces in achieving more local authority from the government, fiscal autonomy, property recovery, etc.
  - In the process of adopting new plans and strategies, local initiatives and suggestions at the macro level should make greater influence. If there were enough respect for local particularities, national plans would be more practical and realisable;

## ***Chapter 5: STRATEGIC ACTION PLAN***

### **Short-Term Strategy of Implementation and Development of Priority Projects**

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*Place your aim high and demand little from the world  
around you, but much more from yourself and your work.\**

The implementing period of the Strategic Action Plan is 3 years, with a possibility of revision and harmonisation after 2 years.

Identified strategic partners are: MA, the Municipal Council, the President of the Municipality, MAn, political parties, PUEs, institutions, sports organisations and teams, local NGOs, representatives of industry, businessmen, entrepreneurs and tradesman, individual farmers, cooperatives, unions, the unemployed and supposedly employed, neighbouring municipalities, regional associations, Ministries, the Government, public agencies, institutes, the Regional Chamber of Commerce, international NGOs, international organisations, fanatical organisations, international investors and donors.

## 5.1 Identification of Strategic Short-Term Projects in Local Economic Development

- *Elaboration of a SME development strategy in Pirot municipality*

*Activities:* preparation of tender documents, tender procedure, provision of funds.  
*Project holders and responsibilities:* local administration, the Regional Agency for SMEs Niš (the EAR) – Pirot sub-centre, the National Agency for SMEs, the Regional Chamber of Commerce, various vocational associations, unions, the National Agency for Employment, related Ministries.  
*Foreseen budget:* EUR 6,000 per concept offered by the Regional Agency for SMEs Niš (the EAR) – Pirot sub-centre.

- *Creation of a strategy for tourism development*

*Activities:* preparation of tender documents, tender procedure, provision of funds.  
*Project holders and responsibilities:* local administration, tourist organisations, competent Ministry, the Regional Chamber of Commerce, vocational associations, tourist and catering enterprises. *Foreseen budget:* The real amount will be known after the tender.

- *Foundation of a Municipal Tourist Organisation and promotion of Pirot tourism*

*Activities:* making a decision on foundation, a foundation act, entry in the court register in accordance with the regulations for public services, provision of funds, premises and equipment, preparation of tender documents, tender procedures, education, promotion: tourist promotional and informational material, media presentations, etc. *Project holders and responsibilities:* local administration, competent Ministry, the Regional Chamber of Commerce, vocational associations, tourist and catering enterprises. *Foreseen budget:* The real amount will be known after the tender (the estimated amount is around EUR 40,000).

- *Foundation of an agency for local economic development*

*Activities:* After some contacts with the International Labour Organisation have been made and a letter of intentions has been sent to the Embassy of the Kingdom of Netherlands, further steps should be made and strategic partners and financiers should be found. *Project holders and responsibilities:* local administration, business, financial and civil sectors. *Foreseen budget:* The real amount is not known.

- *Organisation of a district sheep fair as a regular autumn manifestation*

*Activities:* Foundation of an organisational committee, project defining, provision of funds, development of a programme scheme, promotion in media, animation of potential

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\* Ivo Andrić: Znakovi pored puta





participants, arrangement of space, holding of an exhibition. *Project holders and responsibilities:* local administration, the Institute for Agriculture, the Ministry of Agriculture, business sector. *Foreseen budget:* CSD 500,000 per exhibition (EUR 7,100 approximately), EUR 22,000 in total.

- *Formation of an agrarian fund*

*Activities:* launching the initiative by MA Pirot, presentation and promotion of the idea, looking for strategic partners and creditors. *Project holders and responsibilities:* local administration and its partners from civil, financial and business sectors. *Foreseen budget:* The real amount is not known.

- *Completion of the logistic centre sub-zone »Gradina«*

*Activities:* Provision of funds, project promotion, staged construction of a modern sub-zone in a place approved for this purpose. *Project holders and responsibilities:* Pirot Free Zone, local administration, the industry of Pirot, PUEs, creditors. *Foreseen budget:* The estimated value of investment is EUR 600,000.

- *Training in running small business*

*Activities:* Training programme, provision of funds, inviting a tender for procurement of trainers, an open competition for selection of participants, selection of candidates (preferably unemployed), a two-week training. *Project holders and responsibilities:* local administration, the National Agency for Employment - branch office in Pirot, the Regional Agency for SME, the unemployed, vocational associations. *Foreseen budget:* CSD 1,540,000 (EUR 22,000)

## 5.2 Identification of Strategic Short-Term Projects in Infrastructure and Public Utilities Development

- *Finalisation and completion of strategic documents in the field of town planning and design documents and development of missing studies and designs;*

Since town planning and design documents are necessary for the start of any activities and works and since there are many evident problems during the elaboration, the realisation of this burning issue has to start immediately.

*Activities:* provision of funds, better technical equipping, engaging of experts from the Municipality and others, elaboration of justification and feasibility studies, preparation of planning documents, development of town planning and design documents, formation of an Agency for town construction, constant updating of information and monitoring, surveying and keeping records of the town development and the needs. *Project holders and responsibilities:* local administration, PTPC, the Fund, PUEs, communal inspection, institutions and institutions engaged on the need basis, investors, the economy, consulting company. *Foreseen budget:* The following documents are planned to be developed under the umbrella of the project: elaboration of a design for cadastral surveying – the National Institute of Geology (2004), the value is EUR 10,000, a spatial plan (2005), the value is EUR 120,000, and a plan for detailed regulation of “Kale” complex with all necessary documents (2005), the value is EUR 15,000. The funds will be provided from the municipal budget according to a fixed plan.

- *Elaboration and completing of design documents for construction of a new sanitary landfill in accordance with all hygienic and health requirements.*

*Activities:* activities at the regional level, development of a strategy at the regional level, re-examination of the study on location selection, geologic and hydrologic researches, a study on solid waste structure, development of a strategy at the municipal level, animation of all stakeholders, animation of industry, provision of funds, preparation of design documents, activities to solve property-rights relations, development of appropriate logistics, definition of transfer stations and the way of solid waste delivery, formation of a recycling centre, selection and purchase of equipment, tender procedures, development and activation of a programme for

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selection and extraction of secondary raw materials. *Project holders and responsibilities:* local administration, the Fund for Construction Land, PUEs, communal inspection, institutions engaged on the need basis, consulting companies, related Ministry, the Agency for Recycling, industry, small-scale industry, the region. *Foreseen budget:* The total estimated investment is EUR 90,000 of which sum EUR 25,000 goes for researches and the elaboration of the study, EUR 25,000 for town planning and design documents, EUR 40,000 for preparation of the final design. 60% will be covered by the municipal budget and 40% by the PUE »Komunalac« and neighbouring municipalities according to the agreed time schedule for the following three years (2005 - 55% and 2006 - 45%). The estimated value of the whole investment is EUR 2,500,000 and its funding scheme is still not closed.

- *Rehabilitation and prolonged use of the existing waste site until permanent solution is found and, after that, recultivation of the existing waste site.*

*Activities:* reexamination of the study on rehabilitation for the period until the end of 2004 and preparation of a new rehabilitation project if necessary, provision of funds, purchase of a new area for waste disposal and activities to solve property-rights relations, recultivation. *Project holders and responsibilities:* local administration, the Fund, PUEs, communal inspection, institutions engaged on the need basis, the Agency for Recycling, industry, small-scale industry, contractors, supervisors. *Foreseen budget:* The estimated investment is EUR 185,000, with EUR 45,000 invested so far. Planned investments for the following three years: 2004 – EUR 40,000 (30%), 2005 – EUR 50,000 (35%), 2006 – EUR 50,000 (35%). Sources of funding: 50% will be covered by the municipal budget and 50% by the PUE »Komunalac«

- *Development of a study and appropriate project documentation for the system of waste water treatment before reaching the Nišava river.*

*Activities:* animation of all stakeholders, animation of industry, activities at the regional level, looking for strategic partners, development of a strategy, elaboration of justification and feasibility studies, preparation of a justification study of the selected system for water treatment, elaboration of a study on location selection, activities to make the industry observe the regulations on waste water treatment, provision of funds, informing the citizens about the need to build such a facility and about increased expenditures, preparation of project documentation, tender procedures. *Project holders and responsibilities:* local administration, the Fund for Construction Land, PUE »Vodovod i Kanalizacija«, communal inspection, institutions engaged on the need basis, consulting companies, related Ministry, »Srbijavode«, supervisors. *Foreseen budget:* The estimated investment of the project for preparation of studies and missing project documentation is EUR 60,000, 22.5% will be covered by the municipal budget and 77.5% by PUE »Vodovod«. The period of implementation is 2004 (25%) and 2005 (75%). If the funding scheme is closed, the start can be expected in 2006.

- *Connecting the Rogoz Channel with the Nišava river, upstream from Piroat.*

*Activities:* completing of documentation and creation of the final design, provision of funds; the activities would stop here due to significant investments, the budget itself and time limits imposed by the strategic plan. If the possibility arises and if the Ministry of Water Resources provides the funds, the realisation would start. *Project holders and responsibilities:* local administration, the Fund for Construction Land, PUE »Vodovod i Kanalizacija«, institutions engaged on the need basis, the Ministry of Water Resources, »Srbijavode«, contractors, supervisors. *Foreseen budget:* The estimated value of design documents and preliminary works is EUR 90,000 approximately (the total value of the investment is EUR 640,000). The Ministry of Water Resources is interested to provide the funds for the whole project on condition that there are design documents. This would be the first phase of realisation – the time of realisation is 2005.

- *Construction of an industrial bridge, caused by limited carrying capacity of the available bridges, by the impossibility to reconstruct them and by industry relocation.*

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*Activities:* animation of all interested users (in the first place industry), elaboration of a justification study, development of an investment project, elaboration of a study on location selection and required examination of terrain, preparation of design documents, provision of funds, tender procedures, construction. *Project holders and responsibilities:* local administration, the Fund for Construction Land, local industry, creditors and banks, consulting companies, PTPC. *Foreseen budget:* The estimated investment value without design documents, researches, examination of terrain, landscaping and infrastructure is approximately EUR 600,000. The municipal budget is planned to be spent as follows: in 2004 EUR 12,000 for design documents and EUR 10,000 for research and preliminary works; in 2005 ~ EUR 200,000 for the first stage of construction; in 2006 EUR 400,000 for completion of works. The bridge is expected to be finished in 2006.

- *Reconstruction and asphaltting of local roads, which directly affects the quality of life. Neglect of this problem will continue the emigration trend and it would be impossible to utilise natural and other resources.*

*Activities:* animation of all stakeholders, elaboration of a study on economic justification (number of users, fuel savings) and preparation of design documents, development of an investment project, provision of funds, tender procedures, construction. *Project holders and responsibilities:* local administration, the Fund for Construction Land, local operative units, MZs, consulting companies, PTPC, contractors, supervisors. *Foreseen budget:* The importance and urgency of the problem entail permanent activities on its realisation. Owing to the fact that there are not any design documents and that funding scheme and sources are not defined, it is necessary to start preparing design documents and to try and find financiers. The realisation depends on the budget and it will start as soon as the required funds are provided.

- *Modernisation of streets, reconstruction, construction of sidewalks, parking places and adequate signalisation.*

*Activities:* elaboration of a study on traffic and economic justification, preparation of design documents, settlement of property-rights relations, obtaining the required approvals and permits, development of an investment project, elaboration of a study on staged construction, provision of funds, demolition of existing facilities, animation of all interested users, tender procedures, construction. *Project holders and responsibilities:* local administration, the Fund, local operative units, MZs, consulting companies, PTPC, contractors, supervisors. *Foreseen budget:* The estimated value of the reconstruction of Nikola Pašić street is CSD 185,000,000 or EUR 2,600,000 in three stages: the first stage during 2004 in the length of 1,500m with the foreseen amount of CSD 92,000,000 or about EUR 1,300,000; the second and third stages would be continuation and completion of the whole street in the length of 1,500m. The realisation is expected in 2005-2006 for the same amount. It is expected that the National Directorate for Roads will participate with 50% and that additional 50% will be provided from the municipal budget (25% from the budget, 25% by »Tigar« industry). Since there is not any documentation for other projects, it would be good to prepare the documentation and find financiers. Their realisation depends on the budget and other possible sources (second- and third-rate streets).

- *Preparation of design documents for evacuation of the existing bus station and construction of a new one.*

*Activities:* elaboration of a study on justification and feasibility, elaboration of a study on location selection, preparation of design documents, provision of funds, animation of all interested users, animation of creditors and PTE, settlement of property-rights relations, tender procedures. *Project holders and responsibilities:* local administration, the Fund, PTE, consulting companies, PTPC. *Foreseen budget:* Owing to the fact that there are not any design documents and that the prices, funding scheme and sources are not defined, and due to its importance, it is necessary to start preparing design documents and to try and find financiers for activities preceding the realisation itself. The foreseen plan of activities for 2005 includes a study on traffic, related design

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documents, obtaining the required permits, provision of funds. If there is positive response, the commencement of construction works is planned for 2006. The estimated investment is CSD 3,000,000 or EUR 45,000.

- *Construction of a pedestrian subway under the railway crossing in direction of Radin Do settlement to improve the safety of large number of people who live on the other side of the railway.*

*Activities:* elaboration of a feasibility study and a study on location selection, preparation of design documents, obtaining the required approvals and permits, provision of funds, animation of all interested users: citizens of the MZ, RTE, »Tigar« industry and others, reallocation of a part of voluntary taxes of the MZ, tender procedures, construction. *Project holders and responsibilities:* local administration, MZ »Radin Do«, the Fund for Construction Land, RTE, consulting companies, PTPC, contractors, supervisors. *Foreseen budget:* The estimated value is about EUR 175,000, and the expected participation of the MZ through the voluntary tax is 10% and of the Ministry of Capital Investment up to 100%. The project would be implemented during 2005.

- *Construction of a small school sports-hall in the area of the School of Economy*

*Activities:* animation of all interested users, provision of funds, procurement of contractors, creation of the final design, tender procedures, construction. *Project holders and responsibilities:* local administration, the Sports Association, the Ministry of Sport and Education, the Fund, local consulting and construction companies, PUE, the School of Economy, small-scale industry, cultural institutions, media, contractors, supervisors. *Foreseen budget:* The estimated value is CSD 90,000,000 or EUR 1,300,000. 60% would be realised in 2004 and 40% in 2005. The financial scheme is as follows: the municipal budget with EUR 370,000 (28%), donors (EAR) with EUR 750,000 (58%) and the Ministry of Sport and Education with EUR 180,000 (14%) of the total investment.

- *Preparation of design documents for construction of a new green marketplace.*

*Activities:* elaboration of an study on economic justification, provision of funds, procurement of contractors, preparation of design documents, preparation of a staged plan for realisation, application to creditors and donors, animation of all interested users, tender procedures, construction. *Project holders and responsibilities:* local administration, PUE, the Fund for Construction Land, local consulting and construction companies, PTPC, small-scale industry, contractors, supervisors. *Foreseen budget:* By the end of 2005 the required design documents are planned to be finished (urban planning in 2004 - EUR 5,000 for the plan for a detailed regulation of »Vašarište«; designing in 2005 – EUR 25,000 for the final design and preliminary works), so as to be ready for the realisation if the necessary funds are provided (in 2006 – EUR 335,000). The estimated value of the facility is EUR 365,000 (60% from the budget, 39% PUE »Komunalac« and 1% MIA).

- *Construction of a new building for the History Archives in Pirot*

*Activities:* Provision of funds, tender procedure, commencement of construction works. *Project holders and responsibilities:* local administration, the History Archives, contractors, neighbouring municipalities, related Ministry. *Foreseen budget:* The foreseen amount is about CSD 30,000,000 or EUR 430,000. The Municipality would provide the land and complete design documents, while the Ministry of Culture would participate with EUR 150,000 (35%), (the EAR) grant EUR 237,000 (55%) and Babušnica and Dimitrovgrad Municipalities each with EUR 21,500 (10%). The realisation in 2004 would be 80%: the Ministry of Culture EUR 150,000, (the EAR) grant EUR 150,000 and Babušnica and Dimitrovgrad municipalities each with EUR 21,500. For 2005 the estimated (the EAR) grant is EUR 87,000 (about 20% of the investment) for completion of works.

- *Construction of a new kindergarten*

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*Activities:* provision of additional design documents, provision of funds, tender procedure, commencement of construction works, supervision. *Project holders and responsibilities:* local administration, the Fund for Construction Land, the Pre-School Institution, contractor. *Foreseen budget:* The estimated value of the preparation of design documents and settlement of property-rights relations is about EUR 25,000. The total value of the project is EUR 600,000. The municipal participation is 100% and the time schedule of activities includes preparation of design documents in 2004, the commencement of works in 2005 and completion in 2006 (with 50% realisation per year).

- *Preparation of design documents for an open-air school in Visočka Ržana.*

*Activities:* preparation of design documents, provision of funds, tender procedures. *Project holders and responsibilities:* local administration, the Fund for Construction Land, Pre-School Institution, consulting companies, tourist organisations. *Foreseen budget:* The first phase would involve preparation of design documents in 2006, while the realisation would depend on provision of necessary funds and on found financiers. The estimated value of preparation of required design documents is about EUR 20,000, which would be provided from the municipal budget.

- *Reconstruction of water reticulation by building in a chlorinator in order to improve the quality of water supply in villages.*

*Activities:* increased level of collection, provision of a prime contractor, preparation of design documents, settlement of property-rights relations, provision of funds, definition of a titular, definition of the mode of maintenance, tender procedures, construction. *Project holders and responsibilities:* local administration, PUE »Vodovod i Kanalizacija«, the Fund, MZ, contractor, supervisor. *Foreseen budget:* The value of the design for the reconstruction of water reticulation and building in a chlorinator in the villages of Temska, Crnoklište, Osmakovo, Petrovac, Vojnegovac and Činiglavci is about EUR 2,500. The PUE »Vodovod«, local administration and MZs would provide one third of the necessary amount each and the implementation period is 2005. The requirement is that the consumption is measured adequately and the payments are made regularly. As far as other villages are concerned, there are not any documents, so they have to be prepared and financiers found.

- *Change of worn-out water reticulation in the town in order to improve the conditions for the supply of potable water of high-quality.*

*Activities:* provision of funds, increased level of collection, tender procedures, construction. *Project holders and responsibilities:* local administration, PUE »Vodovod i Kanalizacija«, the Fund for Construction Land, MZ, contractor, supervisor. *Foreseen budget:* The project implementation would involve the reconstruction of water reticulation (in some parts of the town) which is about CSD 900,000 or EUR 13,000 worth. The funds have been provided by the PUE »Vodovod«. The implementation is in progress and covers 2004 and 2005. As far as other parts of the town are concerned, there are not any documents, so they have to be prepared and financiers found.

- *Construction of a new sewerage reticulation in villages*

*Activities:* provision of funds, provision of a prime contractor, preparation of design documents, settlement of property-rights relations, definition a titular, definition of the mode of maintenance and payment, tender procedures, construction. *Project holders and responsibilities:* local administration, PUE »Vodovod i Kanalizacija«, the Fund, MZs, contractor, supervisor. *Foreseen budget:* The implementation involves construction of a sewerage reticulation in the villages of Krupac (investment value - EUR 600,000) and Gradašnica (investment value - EUR 335,000). The funds are not provided, so the implementation will start as soon as the funding source is found. As far as other villages are concerned, there are not any documents, so they

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have to be prepared and financiers found, because generally speaking these are rather large investments.

- *Elaboration of a study on justification and profitability of heating and gasification development.*

*Activities:* provision of funds, elaboration of a study on economic justification, definition of a prime contractor, elaboration of a study, further activities on concrete projects and their implementation after the funds have been provided. *Project holders and responsibilities:* local administration, PUE »Toplana«, MZ, engaged institutes. *Foreseen budget:* This is a long-term project and it consists of many phases. The first phase is elaboration of a study on justification of heating and gasification development (investment value - EUR 50,000 and it will be provided by the PUE »Toplana« and from the municipal budget - 50% each). The second phase would involve elaboration of a plan for heating and gasification of the town, a preliminary design and a final design with reference to the feasibility study (the estimated investment – EUR 100,000 and it will be realised in 2006, with a 50% participation of both the PUE »Toplana« and the municipal budget).

### 5.3. Identification of Strategic Short-Term Projects in Institution and Capacity Building in the Municipal Administration

- *Elaboration of missing strategic programmes of the municipality*

The project includes the elaboration of the following programmes:

- *Local environmental action programme (LEAP);*
- *Poverty reduction strategy at the local level;*
- *Local public education programme*

*Activities:* 2004 – provision of funds, formation of necessary teams and development of terms of reference for the tender procedure. 2005 – selection of the most advantageous tenderer and development of the project with a complete budget, local participation and expert assistance on the need basis; 2006 – adoption of action plans for the implementation of agreed programmes and the start of initial activities. *Project holders and responsibilities:* local administration and self-government, public institutions in the mentioned fields, related Ministries, NGOs.

- *Local environmental action programme (LEAP);*

*Foreseen budget:* The project is completely funded by REC and the Municipality

- *Poverty reduction strategy at the local level;*

*Foreseen budget:* It amounts to EUR 40,000. The Municipality participates with EUR 4,000 (50% in money, 50% in travel, telephone, internet and other running costs), the EAR with EUR 15,000, UNDP with EUR 17,000 (partly in knowledge transfer and trainings and partly in money), the Ministry of Employment and Social Policy with EUR 4,000 (100% knowledge transfer and trainings). Participation in finances and other sorts of participation will be defined precisely by the project budget.

- *Local public education programme*

*Foreseen budget:* The amount is EUR 40,000. The Municipality participates with EUR 4,000, the EAR with EUR 15,000, the Ministry of Education, the Environment Protection Institute, the Environment Protection Service and UNICEF with about EUR 21,000 (partly in knowledge transfer and trainings and partly in money).

*Foreseen budget:* For both programmes it amounts to about EUR 80,000.

- »Municipal Service Centre«

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The purpose of this project is to improve the efficiency of municipal services through reorganisation of premises and departments - "papers should circulate, not people".

*Confronting time:* 2004; *Activities:* 2004 - provision of funds, purchase of premises, formation of a team to make terms of reference for the tender procedure, creation of a design for the adaptation of premises; 2005 – selection of the most advantageous tenderer, development of standardisation and integrity of the system, equipping and furnishing of premises, installation of counters/desks, reception office, Sector for Civil Initiatives, initiation of concrete activities in the domain of service standardisation; 2006 – completion of foreseen activities in the domain of service standardisation and integrity of the system. *Project holders and responsibilities:* local administration and self-government, Sector for Civil Initiatives and NGOs. *Foreseen budget:* The total amount is about EUR 280,000. The Municipality participates with EUR 180,000 and the EAR with EUR 100,000.

#### **5.4. Projects for Institution Building and Capacity Promotion in Public and Private Sectors and in the Sector of Civil Society**

- *Foundation and development of the Civil Initiative Service*

Elaboration and adoption of a communication and informative strategy on civil participation in governing.

*Confronting time:* 2004; *Activities:* 2004 - provision of funds, formation of a team to make terms of reference for the tender procedure, preparation of concrete activities for the decoration of interior and adaptation of premises, making terms of reference for the tender procedure. 2005 – selection of the most advantageous tenderer, installation of equipment that is needed for Service functioning, implementation of first sub-projects in different fields. 2006 – preparation of conditions for larger and direct participation of citizens in governing at the local level, implementation of first joint projects with the Civil Society Centre. *Project holders and responsibilities:* local administration and self-government, public institutions, unions, the church and NGOs. *Foreseen budget:* It amounts to about EUR 28,000. The Municipality participates with EUR 4,000 (100% in rental of premises on the temporal basis), the EAR with EUR 15,000, local NGOs with EUR 9,000.

- Civil Society Centre

*Activities:* team formation, preparation and realisation of a contract on partnership, provision of funds, drawing up of terms of reference. 2005 – equipping of a minimum number of premises that are necessary for proper functioning, implementation of first sub-projects in many fields, expansion and intensification of cooperation with the Civil Initiative Service; 2006 – implementation of all foreseen activities in accordance with available funds especially of those related to joint projects with Bulgaria and other countries. *Project holders and responsibilities:* Business associations and enterprises, public institutions, unions, the church, the Ministry of Sport and Education, the Ministry of Culture, the Ministry of Economic Relations with Foreign Countries, NGOs joined in the Civil Society Centre and others. *Foreseen budget:* The total amount is EUR 400,000. The entire project will be funded by local NGOs and their national and international partners, by business associations and enterprises. The Municipality will participate in some project stages, depending on the current financial capacity.

#### **5.5. Prioritisation to the Identified Projects of Strategic Development**

When identifying the priority of strategic development projects, the following criteria are taken into account:

- When will local authorities and the community face the problem?

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- To what extent can the Municipality affect finding a solution to the problem?
- How extensive are the results, i.e. the impact on the municipality as a whole, if the problem is solved or left unsolved?
- Is it necessary to solve this problem in order to develop new objectives, services and programmes?
- What are the possibilities for a project, that deal with the given problem, to be implemented in the period of three years with respect to the budget capacity or other attainable funding sources?
- How tangible is the issue with respect to social, political, cultural and other values of the community, i.e. what are the problems that can arise while dealing with it?
- What is the interest and resolution of the citizens and local administration to solve the problem? (confirmed by public discourse)
- How much time does it take to prepare project documentation or to implement the project which deals with the given issue?

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## Recapitulation of Project Profiles with a Time Schedule for the Implementation in the Domain of Infrastructure and Public Facilities

	Number	Name of Project	Total project value (EUR)	Implementation period (value in EUR and % of implementation) (budget structure in %)		
				2004	2005	2006
Realisation from the municipal budget	1	Finalisation and completion of strategic documents in the field of town planning and design documents and development of missing studies and designs of importance for the municipality and its further development	EUR 145,000 100% municipal budget	EUR 10,000 (7%) 100% municipal budget	EUR 135,000 (93%) 100% municipal budget	
	2	Construction of a bridge capable to carry all planned loads that are necessary for industry	EUR 622,000 100% municipal budget	EUR 22,000 (~4%) 100% municipal budget	EUR 200,000 (32%) 100% municipal budget	EUR 400,000 (64%) 100% municipal budget
	3	Preparation of design documents for evacuation of the existing bus station and construction of a new one	EUR 45,000 100% municipal budget		EUR 45,000 (100%) 100% municipal budget	
	4	Construction of a new kindergarten	EUR 600,000 100% municipal budget	EUR 25,000 (5%) 100% municipal budget	EUR 287,500 (47.5%) 100% municipal budget	EUR 287,500 (47.5%) 100% municipal budget
	5	Preparation of design documents for an open-air school in Visočka Ržana	EUR 20,000 100% municipal budget			EUR 20,000 100% municipal budget
Realisation from the municipal budget and participation of other institutions (partners and donors)	6	Rehabilitation and prolonged use of the existing waste site until permanent solution is found and, after that, recultivation of the existing waste site	EUR 185,000 EUR 45,000 already realised, 50% municipal budget EUR 70,000 50% PUE "Komunalac" EUR 70,000	EUR 40,000 (30%) 50% municipal budget EUR 20,000 50% PUE "Komunalac" EUR 20,000	EUR 50,000 (35%) 50% municipal budget EUR 25,000 50% PUE "Komunalac" EUR 25,000	EUR 50,000 (35%) 50% municipal budget EUR 25,000 50% PUE "Komunalac" EUR 25,000
	7	Elaboration and completing of design documents for construction of a new sanitary landfill in accordance with all hygienic and health requirements	90,000EUR 60% municipal budget EUR 54,000 40% PUE "Komunalac" EUR 36,000 Regional municipalities		50,000EUR (55%) 60% municipal budget EUR 30,000 40% PUE "Komunalac" EUR 20,000 Regional municipalities	EUR 40,000 (45%) 60% municipal budget EUR 24,000 40% PUE "Komunalac" EUR 16,000 Regional municipalities
	8	Development of a study and appropriate project documentation for the system of waste water treatment before reaching the Nišava river	EUR 60,000 22.5% municipal budget EUR 13,500 77.5% PUE "Vodovod" EUR 46,500, Strategic partners, related Ministry	EUR 15,000 (25%) 100% PUE "Vodovod"	EUR 45,000 (75%) 30% municipal budget EUR 13,500 70% PUE "Vodovod" EUR 31,500	
	9	Connecting the Rogoz Channel with the Nišava river, upstream from Pirot	EUR 640,000 14% project, municipal budget EUR 90,000 86% Ministry of Water Resources EUR 550,000		EUR 90,000 (14%) 100% municipal budget	EUR 550,000 (86%) 100% Ministry of Water Resources

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	10	Reconstruction of streets, reconstruction of Nikola Pašić Street	2,600,000EUR 25% municipal budget EUR 650,000 25% local economy - "Tigar" EUR 650,000 50% National Road Directorate EUR 1,300,000	EUR 1,300,000 (50%) 25% municipal budget EUR 325,000 25% local economy - "Tigar" EUR 325,000 50% National Road Directorate EUR 650,000	EUR 650,000 (25%) 25% municipal budget EUR 162,500 25% local economy - "Tigar" EUR 162,500 50% National Road Directorate EUR 325,000	EUR 650,000 (25%) 25% municipal budget EUR 162,500 25% local economy - "Tigar" EUR 162,500 50% National Road Directorate EUR 325,000
	11	Construction of a small school sports-hall in the area of the School of Economy	EUR 1,300,000 28% municipal budget EUR 370,000 58% donors (EAR) EUR 750,000 14% related Ministry EUR 180,000	EUR 770,000 (60%) 48% municipal budget EUR 370,000 52% donors (EAR) EUR 400,000	EUR 530,000 (40%) 66% donors (EAR) EUR 350,000 34% related Ministry EUR 180,000	
	12	Preparation of design documents for construction of a new green marketplace	365,000EUR 60% municipal budget EUR 217,500 39% PUE "Komunalac" EUR 145,000 ~1% MIA EUR 2,500	5,000EUR (1.5%) 50% municipal budget EUR 2,500 50% MIA EUR 2,500	EUR 25,000 (7%) 60% municipal budget EUR 15,000 40% PUE "Komunalac" EUR 10,000	EUR 335,000 (91.5%) 60% municipal budget EUR 200,000 40% PUE "Komunalac" EUR 135,000
	13	Construction of a new building for the History Archives in Pirot	EUR 430,000 55% donors (EAR) EUR 237,000 35% Ministry EUR 150,000 10% neighbouring municipalities EUR 43,000	343,000EUR (80%) 44% donors (EAR) EUR 150,000 44% Ministry EUR 150,000 12% neigh. municipalities EUR 43,000	EUR 87,000 (20%) 100% donors (EAR) EUR 87,000	
	14	Reconstruction of water reticulation by building in a chlorinator in the villages of Temska, Crnoklište, Osmakovo, Petrovac, Vojnegovac, Činiglavci	EUR 2,500 35% municipal budget EUR 875 35% PUE "Vodovod" EUR 875 30% MZs EUR 750		EUR 2,500 (100%) 35% municipal budget EUR 875 35% PUE "Vodovod" EUR 875 30 MZs EUR 750	
	15	Elaboration of a study on justification and profitability of heating and gasification development	EUR 150,000 50% municipal budget EUR 75,000 50% PUE "Toplana" EUR 75,000		EUR 50,000 50% municipal budget EUR 25,000 50% PUE "Toplana" EUR 25,000	EUR 100,000 50% municipal budget EUR 50,000 50% PUE "Toplana" EUR 50,000
Realis. through participat.	16	Building a pedestrian subway under the railway crossing in direction of Radin Do settlement	EUR 175,000 100% Ministry of Capital Investment		EUR 175,000 (100%) 100% Ministry of Capital Investment	
	17	Change of worn-out water reticulation in the town in order to improve the conditions for the supply of potable water of high-quality	EUR 13,000 100% PUE "Vodovod"	EUR 6,500 (50%) 100% PUE "Vodovod"	EUR 6,500 (50%) 100% PUE "Vodovod"	
		total	EUR 7,332,570 39.5% municipal budget EUR 2,902,945 47% others EUR 3,442,625 13.5% donors EUR 987,000	EUR 2,536,500 30.5% municipal budget EUR 774,500 48% others EUR 1,212,000 21.5% donors EUR 550,000	EUR 2,431,000 42% municipal budget EUR 1,029,375 40% others EUR 964,625 18% donors EUR 437,000	EUR 2,365,070 46.5% municipal budget EUR 1,099,070 53.5% others EUR 1,266,000

## Recapitulation of Project Profiles with a Dynamic Plan of Realisation in the Domain of Institutional Development

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	Number	Name of Project	Total project value (EUR)	Implementation period (value in EUR and % of implementation) (budget structure in %)		
				2004	2005	2006
Realisation from the municipal budget and participation of other institutions (partners and donors)	18	Elaboration of missing strategic programmes of the municipality	EUR 80,000. EUR 30,000 financed by grants MSP-ES EAR 10% (8,000EUR) municipal participation from the regular budget UNDP 20% EUR 16,000 UNICEF 20% EUR 16,000 Ministry of Employment and Social Policy, Ministry of Education, Ministry of Environment Protection 10% EUR 8,000	20% 1 <sup>st</sup> year 16,000 EUR EUR 3,200 Municipal participation from the regular budget	40% 2 <sup>nd</sup> year 32,000 EUR 2,400EUR Municipal participation from the regular budget	40% 3 <sup>rd</sup> year EUR 32,000 EUR 2,400 Municipal participation from the regular budget
	19	»Municipal Service Centre«	EUR 280,000 EUR 100,000 participation of MSP-ES EUR 180,000 Municipal participation from the regular budget	60% 1 <sup>st</sup> year EUR 168,000 EUR 68,000 Municipal participation from the regular budget	20% 2 <sup>nd</sup> year EUR 56,000 EUR 56,000 Municipal participation from the regular budget	20% 3 <sup>rd</sup> year EUR 56,000 Municipal participation from the regular budget
	20	Foundation and development of the Civil Initiative Service	approximately EUR 28,000 Donations by MSP-ES EUR 15,000 Municipal participation from regular budget EUR 4,000 Local NGO EUR 9,000	30% 1 <sup>st</sup> year EUR 8,400 4,000EUR Municipal participation from the regular budget	50% 2 <sup>nd</sup> year EUR 14,000	20% 3 <sup>rd</sup> year EUR 5,600
Participat. of institution	21	Civil Society Centre	approximately EUR 400,000 Local business sector investment, "Tigar" company with 200 m <sup>2</sup> of premises in the value of EUR 200,000 Local NGO participation EUR 200,000	30% 1 <sup>st</sup> year EUR 120,000 No participation from the regular budget	30% 2 <sup>nd</sup> year EUR 120,000 No participation from the regular budget	40% 3 <sup>rd</sup> year EUR 160,000 No participation from the regular budget

### Recapitulation of Project Profiles with a Dynamic Plan of Realisation in the Domain of Local Economic Development

	Number	Name of Project	Total project value (EUR)	Implementation period (value in EUR and % of implementation) (budget structure in %)		
				2004	2005	2006

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22	Foundation of a Municipal Tourist Organisation and promotion of Pirot tourism	approximately EUR 40,000. EUR 30,000 expected participation by MSP-ES EUR 10,000 participation of the municipality	1 <sup>st</sup> year 50% or EUR 20,000 (EUR 15,000 MSP-ES, EUR 5,000 municipality)	2 <sup>nd</sup> year 50% or EUR 20,000 (EUR 15,000 MSP- ES EUR 5,000 municipality)	3 <sup>rd</sup> year. -
23	Training in running small business	approximately EUR 22,000 EUR 16,500 expected participation by MSP-ES EUR 5,500 participation of the municipality	1 <sup>st</sup> year 50% or EUR 11,000 (EUR 8,250 MSP-ES EUR 2,750 municipality)	2 <sup>nd</sup> year 50% or EUR 11,000 (EUR 8,250 MSP-ES EUR 2,750 municipality)	3 <sup>rd</sup> year -
24	Organisation of a district sheep fair as a regular autumn manifestation	approximately EUR 22,000 EUR 9,000 expected participation by MSP-ES EUR 5,500 participation of the municipality EUR 4,500 participation of Ministry of Agriculture EUR 3,000 participation of town economy	1 <sup>st</sup> year 34% or EUR 7,500 (EUR 4,500 MSP-ES, EUR 1,500 municipality, EUR 1,500 Ministry)	2 <sup>nd</sup> year 34% or EUR 7,500 (EUR 4,500 MSP- ES, EUR 1,500 municipality, EUR 1,500 Ministry)	3 <sup>rd</sup> year 32% or EUR 7,000 (EUR 2,500 municipality, EUR 1,500 Ministry, EUR 3,000 local economy)

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One of the most important final results of the strategic planning process is a list of potential projects of the local community which are to be realised in the defined future period. The key part of strategic plan implementation is budget preparation so that the resources of the local community are planned in the long run.

As far as public finances at the local level are concerned, the Strategic Action Plan plays an important part in defining the amount of effective capital budget - a part of local public finances which directly influence the development and prosperity of the local community.

The total value of all projects in 2004 amounts to EUR 2,837,400 and the annual participation of the Municipality is EUR 858,950 (30.3%).

In 2005 the total value of projects is EUR 2,741,700, with municipal participation of EUR 1,097,025 (40%).

In 2006 the estimated value of projects is EUR 2,625,470 with municipal participation of 44%.

The given municipal participation is considered to be objective and in accordance with the planned budget for 2004. In 2004 the finances for capital investment projects were provided by means of the income fund tax, which is one of the most **lavish** taxes. It is this annual budget, as a means of **guidance**, which has been made in order to distribute the existing resources and responsibilities for public expenditures as appropriate during the realisation of the mission and vision of our Municipality.

Essential assumptions for strengthening of fiscal and financial positions of local self-government units, and of our municipality as well, are stronger positions of income sources, attracting **the most fiscal public** income and the place and role of local self-government units in public income administrating.

\*\*\* Tables are given in appendix

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## PROJECT PROFILE FORM for Strategic Municipal Development Projects No.1

<b>Name of Project</b>	Finalisation and completion of strategic documents in the field of town planning and design documents and development of missing studies and designs of importance for the municipality and its further development		
<b>Brief Description of Project</b>	<p>Updated town planning and design documents is a base of all activities related to spatial planning. The existence of planning documents, spatial plans, the GP and other regulation plans, solved property-rights relations, completed legalisation, defined public areas and their purpose, the existence of infrastructural projects, public utility systems and their reticulations, plan mapping, updated geodesic database, creation of an integral database, as well as a clear concept of land managing - all these things represent a base for all sorts of activities for the realisation of projects and programmes or further planning.</p> <p>Due to its complexity and interrelatedness, the project will be realised in several phases:</p> <ul style="list-style-type: none"> <li>▪ Development of a cadastral surveying plan - contractor: National Institute of Geodesy (2004)</li> <li>▪ Development of a spatial plan (database creation, defining of long-term strategic objectives of spatial planning and development) (2005)</li> <li>▪ Preparation of a detailed regulation plan for Kale-town in Pirot, with prepared cadastral base (2005)</li> <li>▪ Some designs are being prepared or they are expected to start.</li> </ul>		
<b>Background and Objectives</b>	For development and adoption of town planning and design documents there is either a legal framework or decisions made at the municipal level, as well as deadlines for preparation of these documents. Since they are necessary for all further actions, it is vital that we start with the implementation of this complex project immediately. If they are late or missing, it will directly influence the implementation of some very important projects. We should single out the possibility of digital geo-surveying as a precise procedure, which is a basis for other activities in this field. The lack of various studies and concrete projects have a negative impact on the development strategy.		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, PTPC, related Municipal Department, Cadastral Registry, Public Fund for Construction Land, National Institute of Geodesy		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (7%)	Year 2 2005 (93%)	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 9.5 (Million CSD)	Annual Operating Cost (Million CSD)*	Annual Maintenance Cost (Million CSD)*
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financial Agency, Bank)	100% Municipal Contribution (Budget status)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	100% Municipal Transfer (Subsidy)	% Other sources (indicate)

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<b>Expected Beneficiaries (Target Groups)</b>	Citizens of Pirot municipality, local administration, consulting companies, public utility enterprises, PTPC, Public Fund for Construction Land
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"><li>▪ to ensure good managing of land as a resource</li><li>▪ to ensure the application of legal regulations</li><li>▪ to enable a quick preparation of plans, designs and programmes</li><li>▪ to systematise and create an integral database</li><li>▪ to offer better and faster service to individuals and companies when they want to get licenses and requirements</li><li>▪ to ensure safety and attract investors</li><li>▪ to provide better conditions for operation of public utility systems</li><li>▪ to ensure permanent updating of data and town' needs</li></ul>
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"><li>▪ development of a spatial, as a basic strategic document (according to the Law on Planning and Construction "Official Gazette of the Republic of Serbia" no. 47/03)</li><li>▪ preparation of a new GP of Pirot by the end of 2004 (according to the Law on Planning and Construction "Official Gazette of the Republic of Serbia" no. 47/03)</li><li>▪ the decision on defining public area has been made and the realisation has started, but there are many difficulties and problems</li><li>▪ in line with paragraph 1 related to a new GP development, at the end of February all public enterprises were asked to submit plans of the existing infrastructural networks as well as of planned routes of the main lines, for the purpose of making this plan. The deadline for data submission was 30 days</li><li>▪ there is a big obstacle to making the town and infrastructure plan - the fact that the line of corridor E-80 through Pirot municipality is not clearly defined ("Official Gazette of the Republic of Serbia" no. 83/03)</li></ul>
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	M.A. Vladan Vasić, President of Pirot Municipality PTPC, director Lenka Vidanović, civil engineer 84 Srpskih vladara Street, +38110332354, 116 Srpskih vladara Street
<b>Note</b>	This project includes preparation of the following documents (the preparation of other documents is in progress or is about to start) because they foreseen by this plan: <ul style="list-style-type: none"><li>▪ Development of a cadastral surveying plan - contractor: National Institute of Geodesy (2004), the project value is EUR 10,000 and it will be funded by the municipal budget</li><li>▪ Development of a spatial plan (2005), the project value is EUR 120,000 and it will be funded by the municipal budget</li><li>▪ Preparation of a detailed regulation plan for Kale-town in Pirot, with prepared cadastral base (2005), the project value is EUR 15,000, and it will be funded by the municipal budget</li></ul>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.2**

<b>Name of Project</b>	Elaboration and completing of design documents for construction of a new sanitary landfill in accordance with all hygienic and health requirements
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Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju





<p><b>Brief Description of Project</b></p>	<p>Finding a long-term solution to the problem of waste disposal (municipal, industrial and healthcare wastes, cattle burial ground). There is a need for a new landfill because the exploiting period of the currently used one will soon expire and the location itself is inadequate. The exploiting period of the existing solid waste site expires at the end of 2004, and the area for possible expanding is limited. It is situated in the industrial zone, in the very bed of Nišava river, with uncontrolled unloading, without previous preparation and selection, so that there is minimal possibility for fermentation. Due to the value of this investment and the deadline for its realisation, it can be expected that within the project the necessary studies will be finished and design documents completed. The project will be realised in two phases starting in 2005 (1<sup>st</sup> phase - researches and elaboration of design documents in 2005, 2<sup>nd</sup> phase – elaboration of a final design in 2006). What will be done before all this, in 2004, are the activities on harmonisation and coordination with municipalities in the region for possible interest and cooperation.</p>		
<p><b>Background and Objectives</b></p>	<p>The existing solid waste site, which is being rehabilitated, can be operational for 2, not more than 3 years, because the regulations are rendered more serious and because it is not possible to extend it. According to a new strategic concept of solid waste management by means of regional centres for solid waste management at the territory of Serbia, and according to the document issued by the Government of Serbia in 2003 »National solid waste management strategy«, it is planned to build 25-30 regional landfills. One regional landfill is planned to be built for the municipalities of Pirot, Dimitrovgrad, Babušnica and Bela Palanka. Initiatives for dealing with this problem, selection of location and things like these are in accordance with the local self-governmental legislation. Project phases are possible and necessary. The first phase involves activities at the regional level, elaboration of a regional strategy, elaboration of a municipal strategy, re-examination of a study on site selection, geologic and hydrologic researches, a study on the structure of solid waste, defining the character of the landfill and of all accompanying subjects, such as compacting, separation of secondary raw materials, possible recycling and the like, development of appropriate logistics, identification of transfer stations and transportation of solid waste, construction of a recycling centre, selection and purchase of equipment, tender procedures, elaboration of design documents, provision of all required licenses and land acquisition, property rights affairs, decision on financial construction, animation of all stakeholders, animation of industry, provision of finances. In the second phase, the works on preparing the landfill site will be started. This strategy refers to that kind of landfill which will involve recycling and secondary raw materials separation. Such a landfill will have a development potential. Building such a landfill will solve the problem of a site for burying dead cattle and stray dogs, as well as the problem of special (healthcare) waste.</p>		
<p>IMPLEMENTING INSTITUTION (S) OR AGENCY(IES), PROJECT OWNER</p>	<p>PUE "Komunalac" - Pirot, local administration, related Ministry, Agency for recycling, industry, neighbouring municipalities</p>		
<p>ESTIMATED IMPLEMENTATION SCHEDULE</p>	<p>Year 1 2004 (0%)</p>	<p>Year 1 2004 (0%)</p>	<p>Year 1 2004 (0%)</p>

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



ESTIMATED PROJECT IMPLEMENTATION AND OPERATING COSTS	Estimated Capital Cost ~6.3 (Million CSD)	Estimated Capital Cost ~6.3 (Million CSD)	Estimated Capital Cost ~6.3 (Million CSD)
Proposed Financing Arrangement for Capital Investment	?% Grant Financing (Donor) (regional municipalities)	?% Grant Financing (Donor) (regional municipalities)	?% Grant Financing (Donor) (regional municipalities)
Financing of Annual Operating and Maintenance Costs	% Tariff Income	% Tariff Income	% Tariff Income
Expected Beneficiaries (Target Groups)	Citizens and industry of Pirot region, the region, neighbouring municipalities		
Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)	<ul style="list-style-type: none"> <li>▪ normal functioning of the town and economy</li> <li>▪ to introduce a compulsory pre-treatment of industrial waste</li> <li>▪ to prevent ecological catastrophe</li> <li>▪ to positively influence industry and to have the municipality showing care for the environment</li> <li>▪ to activate the system for separation of raw materials</li> <li>▪ to increase municipal income</li> <li>▪ to employ a certain number of workers</li> </ul>		
Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)	<ul style="list-style-type: none"> <li>▪ there is no agreement with neighbouring municipalities on key issues</li> <li>▪ there is a location defined by the town plan, but it should be re-examined</li> <li>▪ there is no study on justification</li> <li>▪ there is no preliminary solution, no preliminary design, no final design</li> <li>▪ property rights are not solved</li> <li>▪ financial construction is not finished (foreseen: municipal budget)</li> </ul>		
Persons to contact Address: Phone: E – mail:	Director: Nadežda Avžner, PUE "Komunalac" - Pirot, 50 Vojvoda Mišić St, Pirot 18300 +38110321181, +38110331170, +3811022182 Fax: +38110321181		
Notes	The total estimated investment is EUR 90,000, of which sum EUR 25,000 goes to researches and study elaboration, about EUR 25,000 for design documents and EUR 40,000 for the final design. It will be financed from the municipal budget (60%) and by PUE "Komunalac" (40%) and neighbouring municipalities; according to the time schedule in the following three years (2005-55% and 2006-45%). The estimated value of the whole investment is EUR 2,500,000, and the financial construction is not finished yet.		

## PROJECT PROFILE FORM

for

### Strategic Municipal Development Projects No.3

Name of Project	Rehabilitation and prolonged use of the existing waste site until permanent solution is found and, after that, recultivation of the existing waste site
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Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



<b>Brief Description of Project</b>	Selection of the most rational method for rehabilitation of the existing solid waste site due to rigorous regulations on solid waste management and environment protection. In order to protect the environment and to prolong the utilization of the existing waste site until a new one is built, it is necessary to make a revision of the existing rehabilitation project for the period of at least three years. After a landfill has been built, the old one should be re-cultivated and its purpose should be changed.			
<b>Background and Objectives</b>	<p>Dealing with this problem will affect both the town and its surrounding. The main characteristics of this project are better quality of service and life, because if this problem is not solved, the town, industry and economy will not function properly and we run a risk of great ecological disaster.</p> <p>The currently used location is inadequate, it does not comply with hygienic regulations, it is not enclosed, with uncontrolled unloading and the terrain is in the area of underground and surface streams of Nišava river, as proved by geologic and hydrologic researches.</p> <p>The estimated capacity of the local solid waste site is 35,000m<sup>3</sup> in the area of 2.5ha.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Komunalac" - Pirot, local administration, related Ministry, Agency for Recycling, industry			
<b>Estimated Implementation Schedule</b>	Year 1 2004 (30%)	Year 2 2005 (35%)	Year 3 2006 (35%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 12.8(Million CSD)	Annual Operating Cost (Million CSD)*	Annual Maintenance Cost (Million CSD)*	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	50% Municipal Contribution (Budget status)	50% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Citizens of Pirot, industry of Pirot, public utility systems, PUE "Komunalac"			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>▪ to prolong exploitation</li> <li>▪ to enable free functioning of the town until a long-term solution is found and to prevent unregulated waste sites</li> <li>▪ to introduce a compulsory pre-treatment of industrial waste</li> <li>▪ to prevent ecological disaster</li> <li>▪ to positively influence industry and to have the Municipality showing care for the environment</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>▪ there is a final design</li> <li>▪ property-rights relations are settled</li> <li>▪ ongoing realisation (CSD 2.8 million invested)</li> <li>▪ "Technological project - rehabilitation, recultivation, further exploitation and closing of the waste dump in Pirot" - HEMCO, Belgrade, 2002 (in the Municipal Archives)</li> <li>▪ Memorandum of Understanding between the Municipality and the Agency for Recycling signed in 2002</li> </ul>			
<b>Persons to contact</b>	Director: Nadežda Avzner, +38110321181			

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



<b>Address:</b>	PUE "Komunalac" - Pirot, 50 Vojvoda Mišić St, Pirot 18300
<b>Phone:</b>	Phone numbers: +38110321181, +38110331170, +3811022182
<b>E – mail:</b>	Fax:+38110321181
<b>Notes</b>	<p>The existing solid waste site is being rehabilitated (a design for rehabilitation and recultivation of the existing waste site for the period of 2-3 years was made in 2002)</p> <p>The value of the whole investment is EUR 185,000 and EUR 45,000 was invested last year. In the following three years (2004-2006) the funds (CSD 10,000,000 or EUR 140,000) will be spent as follows: 2004 - EUR 40,000 (30%), 2005 - EUR 50,000 (35%), 2006 - EUR 50,000 (35%).</p> <p>The sources of funding are the municipal budget with 50% and PUE "Komunalac" with 50%.</p>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.4**

<b>Name of Project</b>	Development of a study and appropriate project documentation for the system of waste water treatment before reaching the Nišava river		
<b>Brief Description of Project</b>	Introduction of waste water treatment, especially of industrial water pre-treatment and releasing into an external recipient by means of joint sewage collectors, which would prevent an ecologic disaster.		
<b>Background and Objectives</b>	<p>There is a legal obligation to treat waste waters before releasing into a recipient, as well as an obligation of industries to have their own filters to take their waste waters to the level of sewage water quality before releasing into sewerage reticulation.</p> <p>How important this is for Pirot is out of question, because the sewage content is released into the river recipient without being treated.</p> <p>Construction of such a plant would improve the quality of water in the river Nišava not only in Pirot, but also in all towns downstream from Pirot such as Bela Palanka and Niš. Owing to the fact that the river is used for swimming, watering and other purposes in the lower course, a waste water treatment plant would be of varied importance. It would contribute significantly to protection and preservation of natural environment, it would improve the quality of water, the river would get a new quality which would make it possible to be used as a natural resource, and it would significantly reduce the amounts spent on treatment and cleaning of the river.</p> <p>Since a number of municipalities should be directly interested in this project, we should reconsider possibilities for joint action and investing.</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Vodovod i Kanalizacija" - Pirot, related Ministries, the region, municipalities downstream from Pirot		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (25%)	Year 2 2005 (75%)	Year 3 2006
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 4.2 (Million CSD)	Annual Operating Cost (Million CSD)*	Annual Maintenance Cost (Million CSD)*
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	25.5% Municipal Contribution (Budget status)  77,5% PUE "Vodovod"

Komponenta koja je sponzorizana u okviru





Financing of Annual Operating and Maintenance Costs	% Tariff Income	% Municipal Transfer (Subsidy)	100% PUE "Vodovod"
<b>Expected Beneficiaries (Target Groups)</b>	All citizens of the municipality, industry, the region, municipalities in the lower course of Nišava		
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"><li>• to make an important step forward towards protection and preservation of natural environment</li><li>• to meet standards and legal regulations</li><li>• to prevent ecologic disaster and to control permanently the quality of waste waters</li><li>• to improve the quality of water and to revive the fish in the lower course of the Nišava river</li><li>• to bring the river into its natural state and promote picnic tourism</li><li>• to employ people to work in treatment plants</li><li>• to increase municipal income by paying for public utility services</li><li>• to attract creditors, small businessmen, equipment manufacturers</li></ul>		
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"><li>• there is a location defined by the town plan, but it should be re-examined</li><li>• there is no preliminary design, no justification study and no investment study</li><li>• there is no final design</li><li>• property-rights relations are not settled</li><li>• the approved amount from the plan for settlement of property-rights relations is CSD 1,000,000</li></ul>		
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Director of PUE "Vodovod i Kanalizacija", Ljubiša Jončić 36 Vojvoda Mišić St, Pirot +38110333388 e-mail: pivoda@ptt.yu		
<b>Note</b>	<p>The estimated value of the project is EUR 5,000,000. The Republic participates with 50% in such cases, while other sources are not defined. For this reason and for the reasons of documentation and the budget, this programme remains to be a long-term strategic determination. Anyway, in the first phase of implementation of this strategic action plan for the period of three years, it is planned to prepare the necessary studies, to find investors and to provide the missing project documentation.</p> <p>The estimated value of investments for preparation of studies, preliminary works and the missing project documentation is EUR 60,000, and the sources of funding are the municipal budget with about 25% (EUR 15,000) and PUE "Vodovod" with 77% (EUR 45,000). The period of implementation is 2004 (25%), with EUR 15,000 which have already been provided by the PUE "Vodovod" and 2005 (75%), of which sum EUR 13,000 from the municipal budget and EUR 31,500 by the PUE "Vodovod". If the funding scheme is finished, we can expect the start of work in 2006.</p>		

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.5**

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



<b>Name of Project</b>	Connecting the Rogoz Channel with the Nišava river, upstream from Pirot			
<b>Brief Description of Project</b>	To prevent flooding of a part of the town caused by big waters from the rivers Bistrica, Rasnička, Kosturska and Rogoz. The project concentrates on construction a new riverbed which is 1927m long and covers the area of 1.9 ha and 27 ares.			
<b>Background and Objectives</b>	The problem of big floods in the basin of Rogoz and other rivers is a well-known one, and it has become even greater with the urbanisation of the town and its expanding towards the rivers. Every 10-15 years there is big flooding of the town with enormous material damage. On the basis of prepared studies and analyses, a solution has been chosen. It regulates the riverbed by building a new one which will let a part of water run through it. Special attention has been paid to making a line which passes through available or abandoned channels and through waterpower land of former Rogoz riverbed. It is always better and more rational to act in advance, because possible damage can exceed the investment into this project.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, the Fund for Construction Land, Ministry for Water Resources, local administration, PUE			
<b>Estimated Implementation Schedule</b>	Year 1	Year 2 2005 (14%)	Year 3 2006 (86%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 45.0(Million CSD)	Annual Operating Cost (Million CSD) *		Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	0% Loan Financing (Financing Agency, Bank)	14% Municipal Contribution (Budget status)	86% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	86% Municipal Transfer (Subsidy)	14% Fund for construction land	
<b>Expected Beneficiaries (Target Groups)</b>	Citizens of Pirot, Pirot Municipality			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to protect the citizens and industry from floods and to increase safety</li> <li>to provide better living conditions</li> <li>to employ local operative construction staff</li> <li>to build new channels in order to protect the town</li> <li>to clean regularly the water-current</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is an urban planning project »Rogoz - rechannelling«</li> <li>there is a conceptual design for rechannelling of Rogoz into Nišava</li> <li>there is no preliminary design</li> <li>there is no final design</li> <li>there is no investment study</li> </ul>			
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Momčilo A. Antić, lawyer Lenka Vidanović, civil engineer Fund Pirot, 26 Srpskih vladara Street, Pirot, PUE phone number: +38110321122, +38110321751 fax: +3811023999			

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



<b>Note</b>	<p>The related Ministry is interested to fund the whole project. Before any negotiations are started, we have to prepare the final design and this will be financed from the municipal budget.</p> <p>The time schedule of realisation is as follows: 2005 - to prepare the missing design documents; 2005, 2006 - to apply to the related Ministry; 2006 - to start with the realisation.</p> <p>The estimated value of design documents according to the town planning concept is EUR 21,500, the expenses for obtaining the construction permit are about EUR 17,000, and the costs for preliminary works are about EUR 50,000. The whole investment amounts to EUR 550,000.</p>
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**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.6**

<b>Name of Project</b>	Construction of a bridge which is adequate enough to carry all foreseen loads that are necessary for industry		
<b>Brief Description of Project</b>	To make good communication between two town parts on both sides of the river and to regulate the traffic by redirecting the traffic of heavy vehicles out of the centre.		
<b>Background and Objectives</b>	<p>The whole industry and a half of the town is situated on the other side of the river and they are separated from Niš-Sofia highway.</p> <p>There is a report on the impossibility and uselessness to reconstruct the available bridges. For this reason their capacities are limited to 10t and 15t.</p> <p>If we build a new bridge, it will regulate the traffic and facilitate communication between the two town parts that are naturally divided by the river, as well as regulate the traffic by redirecting heavy vehicles out of the centre, protect the available bridges, connect the industrial part with the highway, reduce air-pollution and noise in the town, make less possibilities for accidents in traffic.</p> <p>A new bridge will enable good access to the Free Zone.</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, local industry, Fund for Construction Land		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (4%)	Year 2 2005 (31%)	Year 3 2006 (64%)
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost ~43.5(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	0% Grant Financing (Donor)	0% Loan Financing (Financing Agency, Bank)	100% Municipal Contribution (Budget status) 0% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% Fund for construction land
<b>Expected Beneficiaries (Target Groups)</b>	citizens of Pirot, industry of Pirot, Free zone - Pirot		

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to protect the existing bridges and to change their purpose</li> <li>to regulate the traffic by redirecting heavy vehicles out of the centre</li> <li>to redirect the traffic of industrial vehicles from the central town zone</li> <li>to reduce street maintenance costs</li> <li>to encourage the industry and show that the Municipality really cares for it</li> <li>to reduce air-pollution and noise in the town centre</li> <li>to employ local operative units during bridge construction</li> </ul>
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there are no design documents</li> <li>location not selected</li> <li>the time needed for the preliminary design is 30 days and the costs are about EUR 4,800</li> <li>the time needed for the final design is 60 days and the costs are about EUR 24,000</li> <li>the time needed for getting a construction permit is about 6 months</li> </ul>
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Momčilo A. Antić, lawyer Fund Pirot, 26 Srpskih vladara Street, Pirot phone number: +38110321122, +38110321751 fax: +3811023999
<b>Note</b>	The estimated investment value without design documents, researches, terrain examination, landscaping and infrastructure is approximately EUR 600,000. From the municipal budget: in 2004 it is planned to spend EUR 12,000 for design documents and EUR 10,000 for research and preparatory work; in 2005 it is planned to spend ~ EUR 200,000 for the first construction stage; in 2006 it is planned to spend EUR 400,000 for completion of works. The bridge is expected to be finished in 2006.

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.7**

<b>Name of Project</b>	Reconstruction of streets		
<b>Brief Description of Project</b>	Reconstruction of Nikola Pašić Street		
<b>Background and Objectives</b>	<p>Nikola Pašić Street is the busiest street in the town and it is a part of a regional road. Reconstruction of this street is necessary in order to improve the quality and safety of traffic, to avoid pot holes and to ensure faster traffic flow through the centre.</p> <p>It is planned to implement the project in two stages: the first stage - in 2004, 1,500m of length, the second stage - in 2005, 1,500m of length (the total length of the street is 3,092m).</p> <p>The foreseen deadline for works completion is two years (2004-2005).</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, Fund for Construction Land, PTPC		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (50%)	Year 2 2005 (25%)	Year 3 2006 (25%)

Komponenta koja je sponzorirana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju





<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 185(Million CSD)	Annual Operating Cost (Million CSD) *		Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	50% Financing (National Institute for Road Network)	% Loan Financing (Financing Agency, Bank)	25% Municipal Contribution (Budget status)	25% local economy ("Tigar", "Prvi maj")
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	50% Municipal Transfer (Subsidy)		50% Fund for construction land
<b>Expected Beneficiaries (Target Groups)</b>	MA Pirot, local administration, Fund for Construction Land, citizens of Pirot, travellers, industry			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>• safer and organised traffic</li> <li>• faster and better communication between town parts</li> <li>• better quality of life</li> <li>• employment of local construction operative units</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>• there is a location defined by the town plan</li> <li>• the construction permit has been obtained</li> <li>• the land has been purchased</li> <li>• there are necessary design documents</li> <li>• ongoing investment</li> </ul>			
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Momčilo A. Antić, lawyer Fund Pirot, 26 Srpskih vladara Street, Pirot phone number: +38110321122, +38110321751 fax: +3811023999			
<b>Note</b>	The estimated value of Nikola Pašić street reconstruction is CSD 185,000,000 or EUR 2,600,000 in three stages: The first stage in 2004 in the length of 1,500m and the foreseen amount of CSD 92,000,000 or about EUR 1,300,000. CSD 12,000,000 or EUR 170,000 has already been invested, because of the ongoing investment. The second and third stages will be continuation and completion of the whole street (additional 1,500 of length). The realisation is expected in 2005-2006 in the same amount (25% of realisation in each year). It is estimated that the National Road Directorate will participate with 50% and that additional 50% will be taken from the municipal budget (25% the municipal budget, 25% »Tigar«).			

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.8**

<b>Name of Project</b>	Preparation of design documents for evacuation of the existing bus station and construction of a new one
<b>Brief Description of Project</b>	<p>Evacuation of the bus station to a new location will solve all spatial and functional problems of the existing one. The presently used location will be free for other purposes.</p> <p>Bearing in mind present possibilities for funding and the level of completeness of design documents, it can be expected that the</p>

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	necessary studies will be elaborated and design documents completed in the period covered by this strategic action plan.			
<b>Background and Objectives</b>	The available location of the bus station is very inadequate: the station is not enclosed, there are not any platforms for buses or passengers, it is not roofed, there is no parking place, no adequate access, no parking places for buses etc. Owing to such a state, traffic inspection can impose a ban on further use of the bus station.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PTE, local administration, strategic partners, Fund for Construction Land			
<b>Estimated Implementation Schedule</b>	Year 1	Year 2 2005(100%)	Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 3.1(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	100% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	100% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	citizens of Pirot, of Pirot region as well as all other passengers, BTE			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>• better organisation and safer traffic in the town</li> <li>• reduced traffic in the town part where the station is located now</li> <li>• increased circulation</li> <li>• a well-known reper</li> <li>• employment of a number of workers, which will solve social problems and increase the number of taxpayers</li> <li>• interest of creditors and small businessmen to make investments</li> <li>• interest of public utility enterprises and construction operative staff</li> <li>• interest of citizens</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>• there is a location defined by the town plan</li> <li>• there is a conceptual design</li> <li>• there is a preliminary design</li> <li>• there is no final design</li> <li>• property-rights relations are not settled</li> <li>• funding scheme is not finished</li> <li>• the time needed for getting a construction permit is about 30 days</li> </ul>			
<b>Persons to contact Address: Phone: E – mail:</b>	M.A. Vladan Vasić, President of Pirot Municipality, Director of PTE 82 Srpskih vladara Street, +38110332354 so pirot@ptt.yu			
<b>Note</b>	The plan of activities for 2005 will involve a study on traffic, appropriate design documents, obtaining necessary permits, finding funding resources. If there is a positive response, the start of construction is			

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	planned for 2006. The estimated investment is CSD 3,000,000 or EUR 45,000.
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**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.9**

<b>Name of Project</b>	Construction of a pedestrian subway under the railway crossing in direction of Radin Do settlement		
<b>Brief Description of Project</b>	Construction of a subway will ensure a safe passage of pedestrians from Radin Do settlement under Pirot's railway station. The project will include car traffic through the same subway.		
<b>Background and Objectives</b>	If this problem is solved, it will ensure greater safety of passengers at the railway crossing and better connection of Radin Do with the town part opposite the railway station. Taking into account the size of the settlement and the intensity of pedestrian traffic across the railway, especially of children, it is quite obvious that this project considerably contributes to the quality of life in this settlement.		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MZ "Radin Do", citizens of Pirot, local administration, RTE, Fund for Construction Land		
<b>Estimated Implementation Schedule</b>	Year 1	Year 2 2005 (100%)	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 12(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)  100% (Ministry of Capital Investment) and Voluntary contribution of MZ
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	100% Municipal Transfer (Subsidy)	% Other sources (indicate)
<b>Expected Beneficiaries (Target Groups)</b>	citizens of Pirot municipality and their guests, MZ Radin Do, industry		
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>• safe pedestrian and car traffic</li> <li>• better connection of town parts</li> <li>• prevention of possible accidents and injuries</li> </ul>		
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities,</b>	<ul style="list-style-type: none"> <li>• there is a location defined by the town plan</li> <li>• ongoing procedure for obtaining an act on design conditions</li> <li>• there is no conceptual design</li> </ul>		

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<b>engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>• there is no preliminary design</li> <li>• there is no final design</li> <li>• property-rights relations are settled</li> <li>• funding scheme is not finished</li> </ul>
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	M.A. Vladan Vasić, President of Pirot Municipality, Director of PTE 84 Srpskih vladara Street, +38110332354 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>
<b>Note</b>	All necessary permits have not been issued yet and the realisation can be expected during 2005, since there is a possibility that the Ministry of Capital Investment can be an investor (EUR 175,000, 100%) and an agreement can be reached with RTE.

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.10**

<b>Name of Project</b>	Construction of a small school sports-hall in the area of the School of Economy		
<b>Brief Description of Project</b>	The project includes construction of a sports hall of 2,500m <sup>2</sup> with 800 seats for physical education, training, sports matches, cultural and similar events.		
<b>Background and Objectives</b>	<p>There is no adequate indoor space for cultural, sports and other events. Instead of a sports hall, pupils use a gym hall that accommodates 700 people in the School of Pedagogy, but it is not functional for many reasons. This hall is actually a part of the school building and has been adapted for this purpose, so it cannot be thought of as a proper sports hall. Other gym halls in the town belong to primary and secondary schools and can be used for training only.</p> <p>Children who attend schools without adequate gym halls are forced to go to other schools in the afternoon to have physical education when their gym halls are available.</p> <p>The aim is to build an adequate hall for pupils, sportsmen and other potential users, and by doing so the town will get a place where many events can take place, which has not been the case so far.</p> <p>Such a sports hall will attract the young to go in for sports; it will provide better training conditions and improved sportsmen's results, better image of the town through sport, larger interest and increased investments.</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	Pirot Fund, local administration		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (60%)	Year 2 2005 (40%)	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 90(Million CSD)	Annual Operating Cost (Million CSD) * *	Annual Maintenance Cost (Million CSD) * *

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<b>Proposed Financing Arrangement for Capital Investment</b>	58% Grant Financing (EAR)	% Loan Financing (Financing Agency, Bank)	28% Municipal Contribution (Budget status)	14% Ministry of Sport and Education
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	40% Municipal Transfer (Subsidy)	60% commercial rental	
<b>Expected Beneficiaries (Target Groups)</b>	citizens, children, sports clubs, the Association of Musicians and other, the School of Economy, Sports Association, young people			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to be an inciter of economic progress through sports preparations, various sports and cultural events, accommodation, hotels etc</li> <li>to solve the problem of physical education and sports preparations</li> <li>to enable better performance of sportsmen and clubs, better marketing and to attract capital which will be invested in sport</li> <li>to animate and encourage the young to go in for sport</li> <li>to attract potential visitors to Pirot and enrich the offer of Pirot, as well as to improve the image through better sports results</li> <li>increased income through shop leasing</li> <li>employment of a number of workers, which will solve social problems and increase the number of taxpayers</li> <li>to show to the citizens that there is something positive going on in the town</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is a conceptual design</li> <li>there is no final design (being prepared), the value is EUR 840,000</li> <li>the time necessary for preparing design documents (the final design) is 60 days</li> <li>there is a location defined by the town plan</li> <li>there is an act on design conditions</li> <li>property-rights relations are settled</li> <li>tendering for the final design completed</li> <li>tender procedure for procurement of works is expected to take place in June 2004</li> </ul>			
<b>Persons to contact Address: Phone: E – mail:</b>	Momčilo A. Antić, graduated lawyer Fund Pirot, 26 Srpskih vladara Street, Pirot, MA Pirot phone number: +38110321122, +38110321751 fax: +3811023999			
<b>Note</b>	In 2004 it is expected to start construction and finish roughing-in for which it is planned to spend EUR 770,000. Completion of construction is planned for 2005 and the value of this investment is estimated at EUR 530,000. The municipality participates with 28%, donors (EAR) with 58% and the Ministry of Sport and Education with 14%.  The realisation in 2004 involves EUR 370,000 of the municipal budget (without design documents and the location), EUR 400,000 of the donor. In 2005 it is planned to spend EUR 530,000, of which sum EUR 350,000 is of the donor and EUR 180,000 of the Ministry of Sport and Education.			

## PROJECT PROFILE FORM

for

Komponenta koja je sponzorirana u okviru



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### Strategic Municipal Development Projects No.11

<b>Name of Project</b>	Preparation of design documents for construction of a new green marketplace		
<b>Brief Description of Project</b>	<p>Construction of a new green marketplace will relieve the existing location. With additional reconstruction, the existing marketplace will offer better service to that part of the town. A new green marketplace on a new location with all necessary indoor and outdoor associate structures can meet the criteria of a modern green marketplace. This will improve the quality of service and sanitary conditions for goods sale.</p> <p>The project involves preparation of town planning documents (during 2004), design documents, obtaining of all necessary permits (during 2005) and staged construction (in 2006).</p>		
<b>Background and Objectives</b>	<p>The green marketplace is situated in the core of the town, near the bus station. To a large extent it is regulated, but without full control of entrance, with a toilet which can be used but is in a very bad condition, with insufficient number of water taps, almost no sewerage network and drainage that cannot be expanded because it will disturb other associate structures. Therefore investing of any kind (e.g. in physical expansion) is not possible, but additional reconstruction is possible and preferable (more water taps, regulated entrances for customers and sellers, service entrance, parking place, designed space for indoor sale, roofing of the marketplace with a solid and light sheets that will meet esthetical requirements since the location is in the old part of the town that is characterised by historical, ethnologic and architectural values). Presently there is no coverage, safe for the stalls. Some indicators show that in the past three years there was an average 30% increase of customers and sellers per day. Relocation according to the town plan and construction of a regulated and modern marketplace will reduce the circulation in the existing one. It will thus be of secondary importance and serve only a part of the town. Even in that case, it should be reconstructed and adapted.</p> <p>Dealing with the problem of the marketplace will improve the quality of life and service and the town will get a facility which is more than necessary. Not to mention a positive effect on the environment and getting closer to ecological standards imposed by the developed world. The realisation of this project will improve sanitary conditions for goods sale which is directly reflected on the quality of foodstuff and citizens' health.</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Komunalac" - Pirot, MIA, local administration		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (1.5%)	Year 2 2005 (7%)	Year 3 2006 (91.5%)
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 25.5(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	60% Municipal Contribution (Budget status) 39% PUE "Komunalac" 1% MIA
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% Other sources (indicate)

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<b>Expected Beneficiaries (Target Groups)</b>	citizens of Pirot municipality and Pirot region
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"><li>• to relieve the existing marketplace and the part of the town where it is situated</li><li>• increased sale</li><li>• increased income from renting stalls</li><li>• increased sales space</li><li>• employment of a number of workers, which will solve social problems and increase the number of taxpayers</li><li>• interest of creditors and small businessmen</li><li>• interest of construction operative staff, public utility enterprises</li><li>• organised and safer traffic</li><li>• better sanitary conditions for foods selling</li></ul>
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"><li>• there is a location defined by the town plan</li><li>• there is a conceptual design</li><li>• there is a preliminary design</li><li>• there is a final design</li><li>• property-rights relations are settled</li><li>• the time necessary for obtaining construction permit is 30 days</li><li>• funding scheme is not finished</li><li>• work can be done in two stages</li></ul>
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Director: Nadežda Avžner, +38110321181 PUE "Komunalac" - Pirot, 50 Vojvoda Mišić St, Pirot 18300 Phone numbers: +38110321181, +38110331170, +3811022182 Fax: +38110321181
<b>Note</b>	<p>By the end of 2005 the necessary design documents are planned to be finished (town planning docs. in 2004 - EUR 5,000 for the plan of detailed regulation of »Vašarište«; in 2005 - EUR 25,000 for the final design and preparatory works), so as to be ready for the realisation if the necessary finances are provided (in 2006). The estimated value of the facility is EUR 365,000.</p> <p>Foreseen participation in the investment: 60% or EUR 217,500 of the municipal budget, 39% or EUR 145,000 PUE »Komunalac« and 1% or EUR 2,500 MIA (town planning documents) according to the foreseen time schedule.</p>

## PROJECT PROFILE FORM

for

### Strategic Municipal Development Projects No.12

<b>Name of Project</b>	Construction of a new building for the History Archives in Pirot according to the adopted conceptual design
<b>Brief Description of Project</b>	The existing premises are inadequate and cannot store all archival material which, as regulated by the law, must be received for storage. Since there is no suitable building owned by the Municipality and no possibility for indispensable refurbishment so as to satisfy the design and legal regulations prescribed for such buildings, design documents for a new building are being prepared. It will be within a Cultural Centre

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	which is going to be built in place of the old "Dom JNA". The construction of the Cultural Centre will be carried out in stages. The first stage will include construction of the History Archives building because the land is not occupied and there is no need for any extensive preliminary work or demolishing.			
<b>Background and Objectives</b>	<p>Presently there are two inadequate spaces where the archive material is stored: the building of "Novakova villa", which does not satisfy the purpose with respect to space, organisation and safety, and some office premises at the third floor of the MA building, which is also inadequate and non-functional. It is obvious that the conditions for work, storing and processing of the collected archival material are far than adequate. In addition to this, there is a great quantity of archival material which is still out of the Archives and should have been brought in long time ago.</p> <p>The History Archives store the material belonging to three municipalities - Pirot, Babušnica and Dimitrovgrad.</p> <p>Construction of a new suitable building will meet all legal regulations regarding space, safety, functionality and organisation, which are necessary for storing, processing and systematisation of archival material, thus ensuring good conditions for work.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	Public fund for Construction Land, local History Archives, local administration			
<b>Estimated Implementation Schedule</b>	Year 1 2004 (80%)	Year 2 2005 (20%)	Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 30.0(Million CSD)	Annual Operating Cost (Million CSD) *		Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	55%% Grant Financing (Donor - EAR)	% Loan Financing (Financing Agency, Bank)	55% Municipal Contribution (Budget status)	35% Ministry of Sport and Education 10% neighbouring municipalities
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	100% Municipal Transfer (Subsidy)		% Other sources (indicate)
<b>Expected Beneficiaries (Target Groups)</b>	citizens of the municipality, individuals and organisations, associations, scientific and other institutions, neighbouring municipalities			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to ensure optimal conditions for storing of archival material</li> <li>to meet relevant legal regulations</li> <li>to ensure good management and use of archival material</li> <li>to find a long-term solution to the problem of archival management</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is a conceptual design</li> <li>there is a final design the preparation of which was contracted in a tender procedure</li> <li>there is a location defined by the town plan</li> <li>the act on design conditions has been issued</li> <li>property-rights relations are settled</li> </ul>			
<b>Persons to contact Address:</b>	Momčilo A. Antić, lawyer, director; Mileta Mančić, director of History Archives			

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<b>Phone:</b> <b>E – mail:</b>	Fund Pirot, 26 Srpskih vladara Street, Pirot; 68 Srpskih vladara Street, Pirot, MA Pirot phone number: +38110321122, +38110321751 fax: +3811023999
<b>Note</b>	The foreseen value is about CSD 30,000,000 or EUR 430,000. The municipality will provide the land and all design documents, while the Ministry of Culture will participate with EUR 150,000, (EAR) grants EUR 237,000 and Babušnica and Dimitrovgrad municipalities each with EUR 21,500. There will be 80% realisation in 2004: Ministry of Culture EUR 150,000, (EAR) grants EUR 150,000 and Babušnica and Dimitrovgrad municipalities each with EUR 21,500. For 2005 the estimated (EAR-a) grant is EUR 87,000 (about 20% of the investment) for works completion.

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.13**

<b>Name of Project</b>	Construction of a new kindergarten			
<b>Brief Description of Project</b>	By a construction of a new kindergarten on the selected location we will solve several problems and show care for children. We will have increased capacities, better conditions for work with children and more comfortable stay in kindergartens; we would employ a number of teachers and meet legal regulations.			
<b>Background and Objectives</b>	According to regulations ("Official Gazette of the Republic of Serbia" no. 29/73) the necessary space for one child is 6m <sup>3</sup> . The actual state is 3.6m <sup>3</sup> per child, which is below the requirements. When we speak about the ratio between the number of inhabitants and the total area of available facilities, it is at the margin of 0.08m/inhabitant. Although 4 of 5 kindergartens were constructed with purpose (in the period between 1961 to 1978), there have been some adaptations and changes of purpose due to increased needs to accommodate more children, thus reducing the quality of service. As a result, 3 of 5 kindergartens do not have a gym hall, and many premises have changed their purpose. The regulations for a whole-day stay of children in such institutions (area in m <sup>2</sup> , volume in m <sup>3</sup> , lighting, heating, resting premises, motoric activities) are at the limit values or far above. Original idea was to reconstruct the existing facility. As it collapsed in the meanwhile, it is necessary to re-examine the design.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	Public Fund for Construction Land, preschool institution »Čika Jova Zmaj«			
<b>Estimated Implementation Schedule</b>	Year 1 2004 (5%)	Year 2 2005 (47.5%)	Year 3 2006 (47.5%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 42.0(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	100% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)

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<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	30% Municipal Transfer (Subsidy)	70% Preschool institution
<b>Expected Beneficiaries (Target Groups)</b>	citizens of the municipality, parents, children, unemployed teachers		
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to show care for children and to offer nice and happy childhood</li> <li>to relieve existing overcrowded facilities</li> <li>to improve work conditions and children's stay in these facilities</li> <li>to improve conditions by reducing the number of groups and children</li> <li>to employ a number of new workers, especially teachers</li> <li>to increase the capacities in order to reduce the number of children on a waiting-list</li> </ul>		
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is a final design</li> <li>there is a location defined by the town plan</li> <li>the act on design conditions has been issued</li> <li>property-rights relations are settled</li> </ul>		
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Momčilo A. Antić, lawyer, director; Ljubinka Rančić Fund Pirot, 26 Srpskih vladara Street, Pirot; preschool institution »Čika Jova Zmaj«, 15 Vovode Stepe Street phone number: +38110321122, +38110321751 fax: +3811023999; +38110332433		
<b>Note</b>	The estimated value of the project without equipment but including preparation of design documents is about EUR 600,000. The estimated value for the preparation of design documents and settlement of property-rights relations is about EUR 25,000. The municipality will participate 100%, and the time schedule includes preparation of design documents in 2004, the commencement of works execution in 2005 and completion in 2006 (50% realisation per year).		

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.14**

<b>Name of Project</b>	Preparation of design documents for an open-air school in Visočka Ržana
<b>Brief Description of Project</b>	<p>In Visočka Ržana there is a school which has been without any pupils for years. The reconstruction of this building, in accordance with all regulations and contemporary requirements for this kind of buildings, will provide a facility of great importance and a variety of uses. This will significantly improve the quality of service, enrich the offer of Pirot and use of natural resources in this area, because the school is situated on an exceptional location; we will be able to use the facility for a variety of activities all the year around; it will be of great importance for the development of a specific type of tourism - an open-air school; we will show an obvious care for children and, of course, the economic aspect can by no means be neglected.</p> <p>The facility does not meet contemporary requirements for good accommodation, so it is necessary to prepare a detailed design for its reconstruction, revitalisation and adaptation, and construction of additional</p>

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	premises and accompanying structures, if proved necessary.			
<b>Background and Objectives</b>	<p>There are about 10,000 preschool children, pupils and youths in Pirot municipality. 4,000 children younger than 6 is not involved in any kind of organised education.</p> <p>The average number of children per a generation in three neighbouring districts (Niški, Pirotski, Toplički) is 6,000. This means that a potential target group (of 6 generations) will involve approximately 40,000 potential users.</p> <p>This school can be used by children from the whole territory of Serbia, which would make it possible for them get to know and enjoy in the advantages of Stara Planina mountain. Children will have an opportunity to spend some time in an ecological and healthy surrounding in their closest vicinity. What is more, they may go to other similar places through an exchange programme with other open-air schools. Children will be able to enjoy in all advantages of Stara Planina mountain, with the emphases on the positive impact on growing and personality development.</p> <p>The foreseen capacity is 100-120 children per shift, or 4,000 per year.</p> <p>Besides the importance of such a school for children, the municipality will also benefit to a large extent, because the invested money will soon be paid back. Such a project will initiate an organised eco-tourism in Stara Planina.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	Public Fund for Construction Land, preschool institution »Čika Jova Zmaj«, local administration, Tourism Association, various organisations and associations for children and youths			
<b>Estimated Implementation Schedule</b>	Year 1	Year 2	Year 3 2006 (100%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 1.4 (Million CSD)	Annual Operating Cost (Million CSD) *		Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	100% Municipal Contribution (Budget status)	(Ministry of Sport and Education)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	100% Municipal Transfer (Subsidy)		% Other sources (indicate)
<b>Expected Beneficiaries (Target Groups)</b>	citizens of the municipality, parents, children, unemployed teachers, preschool institutions, Tourism Association, various organisations and associations for children and youths			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to show care for children and to offer them nice and happy childhood</li> <li>to create the environment which will significantly improve the conditions for organised work with children in nature</li> <li>to make it possible for children to spend some time in an ecologic and healthy surrounding</li> <li>to have an area which will enrich the offer of Pirot</li> <li>to promote the natural park - Stara Planina</li> <li>to employ a number of new workers</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities,</b>	<ul style="list-style-type: none"> <li>there is a final design, but it should be revised thoroughly</li> <li>there is a location defined by the town plan</li> <li>property-rights relations are settled</li> </ul>			

Komponenta koja je sponzorirana u okviru



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<b>engineer's cost estimate, etc.)</b>	
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Momčilo A. Antić, lawyer, director; Ljubinka Rančić, director Public Fund for Construction Land, Pirot, 26 Srpskih vladara Street, Pirot; preschool institution »Čika Jova Zmaj«, 15 Vojvode Stepe Street phone number: +38110321122, +38110321751 fax: +3811023999, +38110332433
<b>Note</b>	It is necessary to prepare new design documents for such a facility in accordance with its purpose and modern requirements and regulations. The foreseen value is EUR 20,000 in 2006.

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.15**

<b>Name of Project</b>	Reconstruction of water reticulation by building in a chlorinator in order to improve the quality of water supply in villages of Temska, Crnoklište, Osmakovo, Petrovac, Vojnegovac, Činiglavci		
<b>Brief Description of Project</b>	The project refers to those villages for which there is economic justification. It will involve settlement of property-rights relations, technical rehabilitation of water supply systems, satisfying the regulations, agreement on water price and way of maintenance. What will follow these preparatory activities is reconstruction of the existing water reticulation and purchasing of a chlorinator and additional equipment for water chlorination.		
<b>Background and Objectives</b>	The basic problem in these villages is poor quality of water. The Health Protection Institute has made researches on physical, chemical and bacteriological purity of potable water and found out less than 30% of pure samples, but with constant presence of bacteria. This represents a constant threat to people's health.		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Vodovod i Kanlizacija" Pirot, MZs, local administration		
<b>Estimated Implementation Schedule</b>	Year 1	Year 2 2005 (100%)	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 0.15 (Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	35% Municipal Contribution (Budget status) 30% (water price, own assets of MZs) 35% PUE "Vodovod"
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% MZs
<b>Expected Beneficiaries (Target Groups)</b>	population of these villages		
<b>Expected Benefits (e.g. expected profits or</b>	<ul style="list-style-type: none"> <li>to ensure safe water supply in these villages</li> </ul>		

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savings, No. of work places, type and level of improved quality of life, etc.)	<ul style="list-style-type: none"> <li>to provide pure and good potable water</li> <li>to prevent infections</li> <li>to improve the quality of life in the country and to promote living there</li> <li>to influence the population in the villages in a positive way and to show that the community / municipality cares for them</li> <li>to ensure payment for water supply services, thus providing the money for its maintenance</li> </ul>
Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)	<ul style="list-style-type: none"> <li>there is a preliminary survey and estimate for purchasing and setting up of chlorinator and additional equipment for water chlorination</li> <li>property-legal status of water reticulation in the villages is not solved</li> <li>it is necessary to examine the situation in other villages</li> </ul>
Persons to contact Address: Phone: E – mail:	<p>Ljubia Jončić, director; Vladan Tošić PUE "Vodovod i Kanlizacija" Pirot, 36 Vojvoda Mišić Street, Pirot +38110333388 <a href="mailto:pivoda@ptt.yu">pivoda@ptt.yu</a></p>
Note	<p>PUE »Vodovod«, local administration from the budget and MZs would provide one third of the necessary amount each. The estimated value is 150,000CSD or about 2,500 EUR. The time of realisation is 2005 on condition that there is an adequate consumption measuring and regular payment.</p>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.16**

<b>Name of Project</b>	Change of worn-out water reticulation in the town in order to improve the conditions of good-quality potable water supply		
<b>Brief Description of Project</b>	The project involves the replacement of old pipes made of asbestos and cement with plastic (PVC) ones in the total length of 1,500m in the town.		
<b>Background and Objectives</b>	The basic objective of water supply strategy is to ensure a continuity of healthy water supply to a larger number of consumers. Since a great part of pipes is old, the process of revitalisation involves the replacement of those made of asbestos and cement with plastic (PVC) ones. By doing so, we can ensure regular supply and good-quality service, better living conditions and reduction of water loss in the system caused by old installation.		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Vodovod i Kanlizacija" Pirot, local administration		
<b>Estimated Implementation Schedule</b>	Year 1 2004 (50%)	Year 2 2005 (50%)	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 0.9(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *

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<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	100% PUE "Vodovod" (water price, own assets)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% PUE "Vodovod"	
<b>Expected Beneficiaries (Target Groups)</b>	the citizens of Pirot			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to ensure water supply in the town</li> <li>to ensure correct and good-quality potable water</li> <li>to deal with the question of network maintenance</li> <li>to influence the citizens in a positive way and to show that the community / municipality cares for them</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is project documentation</li> </ul>			
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Ljubia Jončić, director; Vladan Tošić 36 Vojvoda Mišić Street, Pirot +38110333388 <a href="mailto:pivoda@ptt.yu">pivoda@ptt.yu</a>			
<b>Note</b>	The project is in progress. It involves the reconstruction of water reticulation in some parts of the town and the replacement of old pipes made of asbestos and cement with plastic (PVC) ones. It is planned to replace 750m of pipes in 2004 and 750m in 2005 (1,500 in total). The estimated value of the project is about 900,000CSD or 13,000EUR (6,500 EUR per a year). The finances have been provided by PUE »Vodovod and Kanalizacija«			

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.17**

<b>Name of Project</b>	Construction of a new sewage system in villages Krupac and Gradašnica
<b>Brief Description of Project</b>	<p>The project would involve two villages (Krupac and Gradašnica) for which there is a ready project.</p> <p>Liquid waste would go to a collector and after being treated in a mini LWTP it would be released into Gradašnica river, i.e. to an appropriate river course.</p>
<b>Background and Objectives</b>	<p>There is no sewerage system in villages, so septic tanks are widely used either individual or improvised from old wells. This is a big problem because underground waters are being polluted together with active wells and local water supply systems. The researches made by Health Protection Institute, Pirot prove all this. The construction of a sewerage system would solve the problem of the quality of both land and water.</p>
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Vodovod i Kanlizacija" Pirot

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<b>Estimated Implementation Schedule</b>	Year 1	Year 2	Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost ~70(Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status) % (water price proportionally to polluters' consumption)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)
<b>Expected Beneficiaries (Target Groups)</b>	The population in these two villages		
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to solve the problem of pollution of the environment, eco-systems and water</li> <li>to improve the quality of life in the country and to attract young people to stay in the villages</li> <li>to initiate the process of village urbanisation</li> <li>to increase income by better payment for the services of public utility systems and the municipality</li> <li>to attract creditors, small businessmen, equipment producers</li> <li>to make an image of positive change</li> <li>to employ all those who can participate in construction and equipment production</li> </ul>		
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>location is not defined by the town plan</li> <li>there is a general solution for the sewerage system in these villages</li> <li>there is a final design made in 1996, but it has to be re-examined - it should include a mini LWTP (Gradašnica)</li> </ul>		
<b>Persons to contact Address: Phone: E – mail:</b>	Ljubia Jončić, director; Vladan Tošić 36 Vojvoda Mišić Street, Pirot +38110333388 <a href="mailto:pivoda@ptt.yu">pivoda@ptt.yu</a>		
<b>Note</b>	The realisation involves constructing a sewerage system in the villages of Krupac (investment value is 600,000EUR) and Gradašnica (investment value is 335,000EUR). Since this is a big investment and the funding scheme is not defined (the budget status), the realisation will start as soon as financiers, strategic partners or donors are found.		

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.18**

<b>Name of Project</b>	Preparing a study on justification and profitability of heating and gasification development
<b>Brief Description of Project</b>	To define a strategy by preparing a study on justification and profitability which would answer the question to what extent to develop heating and in

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	what cases gasification is more profitable. This would help to find the best and most rational model for the municipality and further investing in heating development.			
<b>Background and Objectives</b>	<p>The aim is to develop heating and gasification in 80-90% of the town, which would be positively reflected on better and more comfortable living conditions of the population.</p> <p>It is very important to give priority to such ways of heating over others for many reasons: they are smaller ecological polluters and emitters of bad gases; to free to some extent the electricity system and to change the structure of energy distribution from households to industry.</p> <p>We should re-examine the use of fuels and change crude oil for gas in the available installation capacities, then use heating more effectively with the possibility of control and management of the system, as well as the rationalisation of present network of heating plants and boilers, and the protection of living and working surrounding.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	PUE "Vodovod i Kanlizacija" Pirot, local administration			
<b>Estimated Implementation Schedule</b>	Year 1	Year 2 2005 (33%)	Year 3 2006 (67%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 10.5(Million CSD)	Annual Operating Cost (Million CSD) *	Annual Maintenance Cost (Million CSD) *	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	50% Municipal Contribution (Budget status)	50% PUE "Toplana"
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	100% PUE "Toplana"	
<b>Expected Beneficiaries (Target Groups)</b>	The citizens of Pirot, PUE "Toplana", institutions and organisations			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to define the strategy of further development of heating</li> <li>environment protection by the introduction of fuels, systems and technologies which are smaller emitters of bad gases</li> <li>to improve living conditions by better-quality heating</li> <li>to increase income by better payment for the services of public utility systems and the municipality</li> <li>to attract creditors, small businessmen, equipment producers</li> <li>to make an image of positive change</li> <li>to employ all those who can participate in construction and equipment production</li> <li>the saving in consumption of electricity would be up to 20%</li> <li>to employ a number of workers</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there are numerous projects for heating development that are in different phases (from projects to realisation which has already started)</li> <li>there are preliminary design s for heating and gasification lines</li> <li>there is a preliminary design for a central boiler in Pirot</li> <li>the available projects should be re-examined, a complete plan for heating and gasification of the town should be added and phased</li> </ul>			

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	realisation project should be suggested
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Nikola Kostić, director; Ćirić Dušan, mechanical engineer, the chief of development PUE "Toplana", Pirot, bb Lav Tolstoj Street Phone number/fax: +38110321119, +3811024743
<b>Note</b>	The project for heating and gasification of Pirot would cover the period from 2005 to 2015 and would be realised in phases: <ul style="list-style-type: none"><li>• Preparing a study on justification and profitability of heating and gasification development (the estimated expenses for the preparation of a study on justification of heating and gasification development is 50,000 EUR and it would be realised in 2005 with the participations of PUE "Toplana" and the municipal budget of 50% each).</li><li>• Making a plan for heating and gasification of the town, a preliminary design and a final design with respect to their justification (the estimated value of the investment is 100,000 EUR and it would be realised in 2006 with the participations of PUE "Toplana" and the municipal budget of 50% each).</li><li>• Dealing with property status and phased construction of some heating plants (boilers), heating lines and substations, gas lines and measuring and regulating gas stations, connecting the available heating plants and preparation for possible change of fuel use (the use of natural gas) (period from 2005 to 2015).</li></ul>

NOTE: For operational expenses and maintenance costs:  
\* the expenses belong to regular operational expenses of institutions such as PUE "Komunalac", PUE "Toplana", PUE "Vodovod" or the municipality itself  
\*\* the expenses should be precisely analyzed, which has not been done so far

## PROJECT PROFILE FORM for Strategic Municipal Development Projects No.19

<b>Name of Project</b>	Preparing the missing strategic programmes of the municipality
<b>Brief Description of Project</b>	<ul style="list-style-type: none"><li>▪ Preparing the missing strategic programmes of the municipality</li></ul> The project involves the preparation of the following programmes: <ul style="list-style-type: none"><li>▪ Long-term programme for environment protection (LEAP)</li></ul> This sub-project is realised in cooperation with REC, with their full expert and financial support <ul style="list-style-type: none"><li>▪ Strategy for the reduction of poverty at the local level</li></ul> This strategy is very complementary with local economic development programme and local programme for education. At the same time, an action plan will be adopted. It will define precisely the activities which are to be taken over a concrete time interval. <ul style="list-style-type: none"><li>▪ Local Programme for public education</li></ul> The idea is to add some of local particularities to the current National programme of education in order to make it possible for the children to get better knowledge of the resources in this region. At the same time, an action plan will be adopted. It will define precisely the activities which are

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	to be taken over a concrete time interval.		
<b>Background and Objectives</b>	<p>This project practically proves our resolution to “act in cooperation with all citizens in order to develop and realise strategies so as to make it possible for the vision to become a reality. By doing so, we will encourage economic development, which will enable greater standard of living, improve infrastructure to be a high-quality service to the citizens, protect the environment and use responsibly the available resources in order to make Pirot an attractive place for living. We want to create a strong and modern community in which a concern for man will be the most important task. We can do this by encouraging individual initiative and partnership, by the use of geographic position and available resources, comprehension of our own values on the way from a traditional to modern community.”</p> <p>The basic objectives of the strategy for poverty reduction at the local level are:</p> <p>To reduce fictive and actual unemployment.</p> <p>To reduce material and spiritual poverty and to increase the standard of living for all citizens in Pirot, especially for those who belong to the group of fictively or actually unemployed.</p> <p>To create equal possibilities for the most threatened target groups, such as marginalised groups of children, women, old and sick people...</p> <p>To set concrete and feasible models and mechanisms for a permanent change of their social status.</p> <p>Local Programme for public education will contribute to the realisation of the following special objectives:</p> <p>To add some of local particularities of national importance to the current National programme of education, by means of special appendixes to school books, in order to make it possible for the children to get better knowledge of their region 9foe example, Stara Planina will be represented in Biology, Midžor mountain in Geography, famous monasteries in Religious instruction, Pirot’s rug in History and Economy, etc).</p> <p>By cooperation with other schools from all over the country and their participation in open-air schools and camps in this region, we can ensure the realisation of such teaching in areas other than this region. For this purpose we intend to define the possibilities for construction and adaptation of the existing schools. At the same time, an action plan will be adopted. It will define precisely the activities which are to be taken over a concrete time interval.</p> <p>These programmes will be of great importance for creating a positive image of the municipality and they will show in practice how the projected vision becomes a concrete obvious reality.</p>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	The owners of the project: NGOs and local self-government Implementors: NGOs, local self-government and management, agencies for the development of small and medium enterprises, institutions, schools, unions		
<b>Estimated Implementation Schedule</b>	20% Year 1 16,000 EUR	40% Year 2 32,000 EUR	40% Year 3 32,000 EUR

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<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost does not exist		Annual Operating Cost in accordance with the above mentioned percentages per a year Year1 - 16,000 EUR Year2 - 32,000 EUR Year 3 - 32,000 EUR	Annual Maintenance Cost does not exist
<b>Proposed Financing Arrangement for Capital Investment</b>	40% Grant Financing from MSP-ES EAR	% Loan Financing (Financing Agency, Bank)	10% (8,000 EUR) Municipal Contribution from regular budget  (Budget status) TB of the municipality for 2004 is 394,790,000CSD Assets for participation are not included, so it will be rebalanced in June  Projected budget for 2005 430,000,000CSD Projected budget for 2006 473,000,000CSD	50% Other contribution (Institution, Type of Commitment)  UNDP 20% 16,000 EUR money/trainings UNICEF 20% 16,000 EUR money/ trainings Ministries for employment and social policy and education, Institute and department for environment protection 10% 8,000 EUR
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	<p>Since all this is about basic strategies of the municipality, the beneficiaries of this project will be all citizens of Pirot, but we would like to draw attention to the following target groups:</p> <ul style="list-style-type: none"> <li>▪ Strategy for the reduction of poverty at the local level the unemployed, fictively employed, children of poor or unemployed parents, marginalised groups, handicapped individuals, workers in public institutions dealing with social problems, unions, local NGOs;</li> <li>▪ Local Programme for public education children, parents, teachers, workers in public institutions dealing with education, tourist workers, local NGOs;</li> </ul>			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<p>20 people, of which number 6 are unemployed, will take part in the preparation of terms of reference and the project itself. Preparation of such documents is the first and basic step in the creation of image and brand of the municipality, so it is hard to predict precisely such elements. What can be predicted is that the realisation of this project will influence significantly investing in Pirot, opening of new jobs and strengthening of the existing enterprises, as well as greater employment.</p>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities,</b>	<ul style="list-style-type: none"> <li>▪ Long-term programme for environment protection (LEAP) (the level of readiness is 40%);</li> <li>▪ Strategy for the reduction of poverty at the local level (the adopted strategy at the national level is not concretised at the local level, and the measures which are currently being taken in this field cannot be</li> </ul>			

Komponenta koja je sponzorirana u okviru





<b>engineer's cost estimate, etc.)</b>	considered strategic in any way, the level of readiness is 20%); <ul style="list-style-type: none"><li>▪ Local Programme for public education (coordination of available national programmes with local particularities is far from a programme form and there are just individual and lonely attempts, the level of readiness is 20%);</li><li>▪ For both programmes there are solidly educated people in local community, who possess more than 50% of knowledge and education necessary for the realisation of this project. So with expert assistance of other people, the project with precisely defined budget could be finished till the end of September. The basic elements of the project have been set, and the terms of reference for tender procedure with such a budget is possible to be finished till this September.</li></ul>
<b>Persons to contact Address: Phone: E – mail:</b>	Vladan Vasić, 84 Srpskih vladara Street,+38110332354, <a href="mailto:so_pirot@ptt.yu">so_pirot@ptt.yu</a> Zoran Mitić, 84 Srpskih vladara Street,+38110332354, <a href="mailto:so_pirot@ptt.yu">so_pirot@ptt.yu</a> Emilija Đorić, 59 Knjaza Miloša Street, +38110332468, <a href="mailto:rztpi@ptt.yu">rztpi@ptt.yu</a> Natali Pečić, 15/2-3 Knjaza Miloša Street, +38110311976, <a href="mailto:natalipejic71@ptt.yu">natalipejic71@ptt.yu</a>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.20**

<b>Name of Project</b>	«Municipal Service Centre»
<b>Brief Description of Project</b>	<p>The function of this project is to improve the efficiency of municipal services with this aim: "papers should circulate, not people". It includes a gradual standardisation of all services. The standards are not fixed, and will be more like a process of permanent improvement of local administration's work in accordance with a precisely determined dynamics. In this phase, the project will be focused only on those elements which depend on the municipality exclusively or to a large extent. Those elements of standardisation limited by authority distribution and changes in the law at the national level will be dealt with later on.</p> <p>In accordance with the requirements of new systematisation and organisation, the following things will be realised too: an appropriate personnel plan, a plan for adaptation and redecoration of new premises with the realisation of necessary work in the available premises, an informative and communicational plan with new premises and equipment suitable for a new organisation of management, as well as an appropriate plan for educative and training activities.</p> <p>The plan for the redecoration of premises involves:</p> <ul style="list-style-type: none"><li>▪ to buy new premises and expend the available ones</li><li>▪ to make adaptations of new premises so as to fulfil the purpose</li><li>▪ to reconstruct the existing installations and build in new in the new part of the building</li><li>▪ the necessary work on adaptation and reconstruction in the present part of the building is in accordance with new organisation of management.</li></ul> <p>The basic characteristic of this innovation is significantly improved efficiency (speed, price, quality) of services with the use of modern software and hardware support. The integrity of the system, due to new organisational, functional and applicative integral solutions as well as to a qualitative and mass use of the internet, will significantly improve</p>

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	<p>transparency, responsibility and communication of local administration with the citizens, besides the above mentioned efficiency. For this reason, we plan to create a unique internal informative and communicational network of management with internet, applicative and communicational servers. This entails a modernisation of applicative and system softwares, improvement of personnel structure and a significantly higher level of training of all those who are employed in the Municipality. An additional system of reward will be developed to motivate the employees in direction of suggested innovations. Without such a system, the project stands little chance to succeed.</p>		
<b>Background and Objectives</b>	<p>In the context of broader strategic objectives, this project will undoubtedly contribute to the realisation of the vision which presupposes “the creation of a modern, democratic, responsible, rich, healthy and humane community which will ensure a nice and safe childhood for its children”, because it will make the municipal authority more transparent, effective, professional, competent and responsible towards the budget and the citizens.</p> <p>The basic special objectives of the project are:</p> <ul style="list-style-type: none"> <li>▪ to improve organisation, efficiency and quality of services in the Municipality</li> <li>▪ to promote transparency in the municipality</li> <li>▪ to increase the possibilities for the citizens to control the authorities</li> <li>▪ to increase responsibility of local authorities</li> <li>▪ to motivate the employees for advanced training, more effective work and the like.</li> </ul>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot		
<b>Estimated Implementation Schedule</b>	<p>Year 1 60% (168,000EUR of which 100,000EUR is MSP-ES' participation)</p>	<p>Year 2 20% 56,000EUR</p>	<p>Year 3 20% 56,000EUR</p>
<b>Estimated Project Implementation and Operating Costs</b>	<p>Estimated Capital Cost 180,000EUR</p>	<p>Annual Operating Cost approximately 50,000EUR annually</p>	<p>Annual Maintenance Cost of premises will be fully paid by the Municipality</p>

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<p><b>Proposed Financing Arrangement for Capital Investment</b></p>	<p>% Grant Financing MSP-ES 100,000EUR</p>	<p>% Loan Financing (Financing Agency, Bank)</p>	<p>Municipal Contribution from regular budget (Budget status) TB of the municipality for 2004 is 394,790,000CSD Assets for participation are not included, so it will be rebalanced in June Projected budget for 2005 430,000,000CSD Projected budget for 2006 473,000,000CSD</p>	<p>% Other contribution is not expected</p>
<p><b>Financing of Annual Operating and Maintenance Costs</b></p>	<p>% Tariff Income</p>	<p>% Municipal Transfer (Subsidy)</p>	<p>% Other sources (indicate)</p>	
<p><b>Expected Beneficiaries (Target Groups)</b></p>	<p>Since all citizens enjoy municipal services, they are potential beneficiaries of the improvement. Employees in local administration</p>			
<p><b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b></p>	<p>According to former experience, fixed standards and new organisation of work with respect to the previous period generally bring saving of: - 20% in the first year - 25% in the second year - 35% in the third year If we take into account the saving of time, which citizens usually waste for getting any kind of agreement or document, it is possible to have an insight into an enormous contribution of this project to better-quality of citizens' lives in Pirot.</p>			
<p><b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b></p>	<p>There is a contract for the purchase of premises, the realisation of which will be in 30 days. The budget is estimated for operational and other expenses of standardisation and equipment. The basic elements of the project have been fixed, with the level of readiness of about 50%. The terms of reference for tender procedure with the planned budget will possibly have been finished by this July. <b>Tendering competence</b> and the choice of the best bidders are possible to be realised during August and September. Adaptation will be possible to be finished by the end of 2004. During October and November we can make the project for reorganisation, partial standardisation of services and training in order to be able to start the first implementational activities at the end of the year. The project for establishment of integrity of the whole service system cannot be made before the beginning of the next year, and the first activities on implementation of this part of the project can be planned for the next year.</p>			
<p><b>Persons to contact Address: Phone:</b></p>	<p>Vladan Vasić, President of Pirot Municipality, 82 Srpskih vladara Street, +38110332354, <a href="mailto:pirot@ptt.yu">so pirot@ptt.yu</a> Slavica Pejić, the head of municipal management, 82 Srpskih vladara</p>			

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E – mail:	Street, +38110332354, so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>
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**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.21**

<b>Name of Project</b>	Civil initiative service		
<b>Brief Description of Project</b>	<p>The implementation of this project will start with adoption of Communicational and informative strategy on relation between the citizens and the local authorities and the citizens' participation in governing. The strategy itself includes the establishment of a service for civil initiatives. The project should mark a new step in the development of Pirot through a partnership with the local self-government and civil society. The first positive result should be greater participation of citizens in governing at the local level. Local self-government will provide two offices and cover operational and direct expenses to the extent regulated by the contract, while local NGOs will provide a part of equipment and projects planned by the contract.</p> <p>The largest part of Service activities will be focused on transparency of municipal work, strengthening of democratic institutions and systems, social activities which will promote voluntary work in the municipality in quite a new way, equal possibilities for all people especially for people with special needs, their employment, and a series of other values of civil society.</p>		
<b>Background and Objectives</b>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	The owners of the project: NGOs and local self-government; Implementors: NGOs in Pirot, local self-government and management;		
<b>Estimated Implementation Schedule</b>	30% Year 1	50% Year 2	20% Year 3
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost does not exist	Annual Operating Cost in accordance with the above mentioned percentages per a year Year1 - 6,600 EUR Year2 - 11,000 EUR Year 3 - 4,400 EUR	Annual Maintenance Cost

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<p><b>Proposed Financing Arrangement for Capital Investment</b></p>	<p>% Grant Financing MSP-ES 15,000 EUR</p>	<p>% Loan Financing (Financing Agency, Bank)</p>	<p>Municipal Contribution from regular budget  (Budget status) TB of the municipality for 2004 is 394,790,000CSD  Assets for participation are not included, so it will be rebalanced in June  Projected budget for 2005 430,000,000CSD Projected budget for 2006 473,000,000CSD</p>	<p>% Other contribution Local NGOs 9,000 EUR mostly in equipment and projects</p>
<p><b>Financing of Annual Operating and Maintenance Costs</b></p>	<p>% Tariff Income</p>	<p>% Municipal Transfer (Subsidy)</p>	<p>% Other sources (indicate)</p>	
<p><b>Expected Beneficiaries (Target Groups)</b></p>	<p>Since all this is about basic strategies of the municipality, the beneficiaries of this project will be local administration and local NGOs, but the greatest benefit will have all citizens of Pirot municipality.</p>			
<p><b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b></p>	<p>This service should ensure:</p> <ul style="list-style-type: none"> <li>• legal advising free of charge for all those who need them;</li> <li>• help to fill in forms and claims;</li> <li>• improvement of communication between local authorities and economy;</li> <li>• protection and preservation of the environment;</li> <li>• the Service will be both a <i>spiritus movens</i> (initiator of ideas) and the main partner in local administration in preparation of the missing strategic documents mentioned within the first project for local institution establishment;</li> <li>• in the first year, the Service should serve as a base for the development of teams for strategic and programme planning in the municipality, with employed professionals who will not only do the work but also educate their colleagues on methodology of project, strategy and programme making;</li> <li>• affirmation of professionalism and voluntary work for the purpose of benefit of the whole community.</li> </ul>			
<p><b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b></p>	<p>The main postulates of the project are made in accordance with the experiences of other municipalities, with the possibility of adding local particularities, which will be regulated by a contract between partners. As far as communicational and informative strategies of the authorities with the citizens are concerned, there are only basic ones which refer to the system of representative democracy and available regulations and standards which regulate procedures with citizens' claims - the level of readiness is 20%.</p>			

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	<p>The basic elements of the project have been fixed and the terms of reference for tender procedure with the planned budget will possibly have been finished by this July. Tender procedure can be realised during August. A chosen bidder can start the preparation of the project in September and implementation activities at the end of this year. During the preparation of the project, the Service can start with some of the planned activities such as legal advising free of charge. At the beginning of the next year we can expect a hundred-percent realisation of the projected activities of the Service.</p>
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	<p>Vladan Vasić, 84 Srpskih vladara Street, +38110332354, <a href="mailto:so_pirot@ptt.yu">so_pirot@ptt.yu</a> Milan Stanojević, 85 Niška Street, +381642325109, <a href="mailto:infocentar@ptt.yu">infocentar@ptt.yu</a></p>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.22**

<b>Name of Project</b>	Civil Society Centre
<b>Brief Description of Project</b>	<p>Civil Society does not have its premises and if we provide them, it will be of great importance for the development of civil activism and citizens' participation in governing and control of the authorities as basic elements of democratic development of the community. It is imagined as an incubator of ideas, entrepreneurial initiatives and projects and it will be:</p> <ul style="list-style-type: none"><li>• Multimedia centre for Pirot's brand promotion on other markets;</li><li>• Centre for those who are interested in the forthcoming process of privatisation of Pirot's enterprises, where they can get a full service in one place;</li><li>• Counselling office for investors, not only in the sense of a relationship between owner and worker, but also between owner and stake-holders, partnership relations with unions, local administration etc;</li><li>• Centre for articulation of all initiatives towards local administration and macro-surrounding;</li><li>• Educative and promotional centre for initiation of family business with a series of specialised and concrete courses on currently competent small businesses, including market researches, consulting, business plan making and providing of credits.</li><li>• Resource centre of entrepreneurship at the regional level which will ensure exchange and a more optimal use of complementary resources among neighbouring municipalities, especially among bordering municipalities of Serbia and Bulgaria;</li><li>• Centre of classical media and other innovative multimedia activities for those people who are interested in new models of the internet use. For this reason, the Centre will be the most important partner of local administration in the promotion of municipal brands and making of new partnerships between the local administration of Pirot and other partners;</li><li>• Cradle of educative and cultural activities of Pirot's workers in</li></ul>

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	all spheres, one of which is a school for public opinion researches, etc.		
<b>Background and Objectives</b>	<p>In the context of broader objective, the project is easily recognised in the whole vision and mission, because it contributes to “a significant and recognisable role in the region in the expansion of sustainable development, tracing the way toward its place in the developed community of European cities. Using natural and human resources, its geographic advantages, connecting the traditional and the modern, building the bridges over the rivers between the people and countries, we will build a democratic, responsible, rich, healthy and humane community in which children will live their childhood in a safe and pleasant way.”</p> <p>This project should mark a new step forward towards the development of Pirot, through a true partnership between the local self-government and Civil Society. It is fully feasible, because it is made in such a way that it makes income in the first year of implementation, thus providing assets for its own upkeep, not only in technical and technological sense, but also in contents. So all investors in this project can be sure that their assets will be paid back soon and in an effective way. In addition to this, it will promote voluntary work within the municipality in quite a new way, as well as empathy for individuals with special needs, their employment and a series of other values of civil society.</p> <p>Of all special objectives, the realisation of which should be made by the Centre, we can single out the following:</p> <ul style="list-style-type: none"> <li>• Making possibilities for new jobs and for the growth of the standard of living by developing entrepreneurship;</li> <li>• Improvement of communication between local authorities and economy;</li> <li>• Purposeful use of natural resources;</li> <li>• Rational use of human resources for the development of strategic and programme way of thinking and work in the municipality</li> <li>• Affirmation of professionalism, but also of voluntary work in service of general well-being of the community</li> <li>• Unique and original way to promote the municipality by providing a broad front for its effective performance.</li> </ul>		
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	The owners of the project: NGOs in Pirot and “Tigar” company Implementors: local NGOs, local agency for the development of small and medium enterprises and “Tigar” company		
<b>Estimated Implementation Schedule</b>	30% Year 1	30% Year 2	40% Year 3
<b>Estimated Project Implementation and Operating Costs</b>	<p>Estimated Capital Cost approx. 200,000EUR</p> <p>It refers to the value of the building where the Centre will be situated (200m<sup>2</sup> provided by “Tigar” company)</p>	<p>Annual Operating Cost in accordance with the above mentioned percentages per a year</p> <p>Year1 - 60,000 EUR Year2 - 60,000 EUR Year 3 - 80,000 EUR</p>	Annual Maintenance Cost

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<b>Proposed Financing Arrangement for Capital Investment</b>	Grant Financing (Donor)	Loan Financing (Financing Agency, Bank) <b>does not exist</b>	Municipal Contribution (Budget status) <b>does not exist</b>	% Other contribution Investment of local business association, "Tigar" company (premises of 200m <sup>2</sup> )
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	50% Participation of local NGOs, partly in donations, partly in projects and equipment.	
<b>Expected Beneficiaries (Target Groups)</b>	Local and regional NGOs; Business associations from the whole region; Political parties from the whole region; Media; Unions from the whole region; teachers and professors from the whole region; Marginalised groups from the whole region; cultural workers from the whole region;  Since all this is about basic strategies of the municipality, the beneficiaries of this project will be all citizens of Pirot municipality.			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	The project is completely feasible (based on many partnerships and created to make profit). One of the most important positive results will be reduction of unemployment on the basis of regional complementarities of personnel (we plan 20 new jobs in the Centre in the first two years); creative energy and civil activism will make it possible to improve the quality of life, and the activities directed to international investors and entrepreneurship should attract investing, thus reducing unemployment, which should result in hundreds of new jobs in the years to come.			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	The complete project for capital investing - adaptation and decoration of premises - will be finished this year. There is also a complete project for 80% of planned activities, including the budget. In addition to this, there is a complete project for equipment. Since the activities of the Centre are actually a process, already planned and defined activities will be starting points in the first two years. Later on, they will be changed and adapted to new practical circumstances.  The basic elements of the project have been fixed and the terms of reference for tender procedure with the planned budget is likely to be finished this autumn.			
<b>Persons to contact Address: Phone: E – mail:</b>	Milan Stanojević, 85 Niška Street, +381642325109, <a href="mailto:infocentar@ptt.yu">infocentar@ptt.yu</a>			

**PROJECT PROFILE FORM  
for  
Strategic Municipal Development Projects No.23**

<b>Name of Project</b>	Foundation of an agency for local economic development
<b>Brief Description of</b>	The MA has first made contacts with the International Labour Organisation and then, as an interested side, sent a letter to the

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<b>Project</b>	Embassy of the Kingdom of Netherlands in Belgrade in order to find a partner for establishing of the Agency.			
<b>Background and Objectives</b>	<p>Local economic development can be achieved by a partnership of local self-government, business interests (business sector) and the interests of a community. Potential functions of such an agency are the following: participation in making and realisation of the Programme for local economic development; information about entrepreneurship and access to financial assets; technical support; help to small and medium enterprises in a direct way, by preparation of business plans or by introduction of new marketing techniques and concepts; stimulation of innovations.</p> <p>The aims are: to make possibilities for new jobs; to create an active, dynamic and motivating working surrounding; to improve communication between local authorities and economy.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot is the initiator of the establishment			
<b>Estimated Implementation Schedule</b>	% Year 1	% Year 2	% Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost (Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	The whole business and financial sector, potential entrepreneurs, local self-government, local community, associations of various professions, unions, citizens			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to increase employment,</li> <li>to increase activities of local administration in the field of local economic development</li> <li>better informing of interested sides</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>there is a letter of intentions</li> <li>the MA considers the possibilities and similar experiences in other MAs and towns</li> </ul>			
<b>Persons to contact Address: Phone: E – mail:</b>	MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +38110332244 sopirot@ptt.yu			

## PROJECT PROFILE FORM

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for  
**Strategic Municipal Development Projects No.24**

<b>Name of Project</b>	Turning the regional sheep fair into a regular autumn manifestation			
<b>Brief Description of Project</b>	Organisation of an autumn exhibition of cattle with accompanying activities and announcing the winners. Promotion and importance of this branch for the development of Pirot municipality			
<b>Background and Objectives</b>	Similar manifestations have already taken place in Pirot with the aim of cattle-breeding popularisation. The idea is to organise them more frequently and to establish annual manifestations. It would be possible to follow changes and progress as well as to draw attention to the influence of this branch on industry development.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	DP Institute for agriculture - Pirot and MA Pirot			
<b>Estimated Implementation Schedule</b>	Year 1 2004 (34%)	Year 2 2005 (34%)	Year 3 2006 (32%)	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 1.5(Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	41% Grant Financing (MSP-ES)	% Loan Financing (Financing Agency, Bank)	25% Municipal Contribution (Budget status)	34% Other contribution Ministry of Agriculture and local industry
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Farmers in Pirot and neighbouring municipalities, the region, potential investors, people interested in cattle-breeding, DP Institute for agriculture, tradesmen, vets, high schools for agriculture, Faculty for agriculture, associations of various professions			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to increase interest in cattle-breeding</li> <li>to make the young return to villages</li> <li>education on purebred cattle</li> <li>to increase interest in buying additional cattle</li> <li>the image of Pirot for such a manifestation</li> <li>to promote the idea of brand protection - Pirot's lamb</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	A detailed project is expected to be done by DP Institute for agriculture (all calculations according to the project)			
<b>Persons to contact Address: Phone: E – mail:</b>	MA Pirot, Department for economy and finances, Milan Cvetković, expert associate for agriculture, +38110332244 loc.112 DP Institute for agriculture, Pirot; +38110332120, +38110321771			

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**PROJECT PROFILE FORM**  
**for**  
**Strategic Municipal Development Projects No.25**

<b>Name of Project</b>	Training in running small business			
<b>Brief Description of Project</b>	Organised training in running small business. The attendants should be preferably unemployed. Potential trainers would give 50 lectures to these candidates (10days X 5 lectures). 100 people would be involved in education.			
<b>Background and Objectives</b>	All those who are interested in running a private small business should become familiar with types of property, financial resources, chance spotting, economic and systemic surrounding, foundation of shops and enterprises, market investigation, marketing analyses and strategies, financial management, making of business plans etc.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, National agency for employment - Pirot department, institution chosen by tender			
<b>Estimated Implementation Schedule</b>	Year 1 50%	Year 2 50%	Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 1.54(Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	75% Grant Financing (MSP-ES)	% Loan Financing (Financing Agency, Bank)	25% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Potential entrepreneurs, the unemployed			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to increase employment</li> <li>to increase the degree of trained candidates</li> <li>to develop the sector of small and medium enterprises</li> <li>to develop entrepreneurship</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	<ul style="list-style-type: none"> <li>the project is being defined</li> </ul>			
<b>Persons to contact Address: Phone: E – mail:</b>	MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +381 10332244 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>			

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**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.26**

<b>Name of Project</b>	Creating a development strategy of tourism in Pirot municipality			
<b>Brief Description of Project</b>	To make the missing strategic documents for the purpose of feasible development of tourism in this area.			
<b>Background and Objectives</b>	The aim is an adequate treatment of available resources (natural and anthropogenic tourist motives, for example), identification of possibly lacking elements for the development of tourism as an economic branch. It is necessary to determine the course of development for mountain, transit, cultural, sports and recreational, hunting and other sorts of tourism.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, subjects in the field of tourism			
<b>Estimated Implementation Schedule</b>	% Year 1	% Year 2	% Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost (Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Local administration, hotels and tourist enterprises, innkeepers, tourist agencies, "Srbijašume", different associations			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>Planned, not disorganised, development</li> <li>the possibility to contact donors</li> <li>in the long run, an increase of tourism and catering participation in NP of the municipality</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	The project is being defined.			
<b>Persons to contact Address: Phone: E – mail:</b>	MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +38110332244 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>			

**PROJECT PROFILE FORM**

Komponenta koja je sponzorisana u okviru



Programa Podrške opštinama Istočne Srbije  
Program koji finansira EU a sprovodi Evropska Agencija za Rekonstrukciju



for  
**Strategic Municipal Development Projects No.27**

<b>Name of Project</b>	Creating a development strategy of small and medium enterprises in Pirot municipality			
<b>Brief Description of Project</b>	Creating a development strategy in accordance with the National strategy and with respect to the model of Niš strategy.			
<b>Background and Objectives</b>	SME can bring about changes in the course of regional and local economies' development. They are flexible, with quick reaction on new market changes and more effective process of decision-making.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, Regional agency for SME (EAR), Niš centre			
<b>Estimated Implementation Schedule</b>	% Year 1	% Year 2	% Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost (Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Business associations and enterprises, local administration			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>planned, not disorganised, development of the sector</li> <li>the possibility to contact donors</li> <li>in the long run, an increase of SME sector's participation in NP of the municipality</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	The project is being defined			
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Regional agency for SME (EAR), Niš - Pirot subcentre; Dragana Todorović, +38110337493 MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +38110332244 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>			

**PROJECT PROFILE FORM**

for

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## Strategic Municipal Development Projects No.28

<b>Name of Project</b>	Establishing a Municipal Tourist Organisation and promotion of tourism in Pirot			
<b>Brief Description of Project</b>	The project includes: making a decision on establishment, making an act on foundation, registering in the court register according to the regulations for public services, providing finances, premises and equipment, preparation of tender documents, tender procedure, education, promotion: preparation of tourist marketing and informative material, media presentations, etc.			
<b>Background and Objectives</b>	<p>In the past, there was a Tourist organisation in Pirot and it was a part of "Dom culture". Pirot with its current tourist offering, which still has to be improved, has a potential for the development of this branch. In the Spatial Plan of Serbia, Pirot is a tourist zone and region according to the classification of tourist areas, and is situated on a transit tourist route.</p> <p>The basic aims are: valorisation, preservation, protection and promotion of tourist values on the territory of the municipality and promotion of the offering.</p> <p>Special aims are: to direct and control activities of those who have something to offer so as to enrich and rise the quality level of touristic and complementary contents and to create an attractive touristic surrounding in touristic places; to organise marketing and promotional activities of cultural, sports and other manifestations which are of interest for tourism promotion in the municipality; to improve general conditions for accommodation and stay of tourists (utility equipping and maintenance, building of sports and recreational centres, etc); to make a programme for the development of tourism.</p>			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot			
<b>Estimated Implementation Schedule</b>	Year 1 2004 (50%)	Year 2 2005 (50%)	Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 2.8(Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	75% Grant Financing (MSP-ES)	% Loan Financing (Financing Agency, Bank)	25% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	National and international tourists, citizens of the municipality, subjects and individuals who are in tourism (travel agencies) or catering (accommodation, serving food and drinks)			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>to improve employment in tourism and catering with accompanying activities (trade, agriculture, crafts) and their development</li> <li>to attract investors</li> <li>to make Pirot and its brands well-known</li> <li>to increase income from tourism</li> </ul>			
<b>Status of Project</b>	The project is being defined (it will be known after a tender)			

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Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)	
Persons to contact Address: Phone: E – mail:	MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +38110332244 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.29**

<b>Name of Project</b>	Establishing an agrarian fund			
<b>Brief Description of Project</b>	Some institutional conditions are essential for the development of agriculture. For this reason an organised support to agriculture is a necessity and the establishment of an agrarian fund, initiated by MA Pirot, is an important step forward.			
<b>Background and Objectives</b>	The terrain suitable for agriculture is a starting point, because it abounds in meadows and pastures, which predestines this region for cattle breeding. If there are appropriate conditions and privileges, people will develop their business and contribute to the development of other economic branches.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	MA Pirot, potential partners and creditors			
<b>Estimated Implementation Schedule</b>	% Year 1	% Year 2	% Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost (Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Farmers, regional economy			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>easier access to financial assets</li> <li>the growth of agricultural production</li> <li>promotion of cattle breeding</li> <li>better living conditions in the country</li> <li>reduced unemployment</li> <li>greater motivation for agriculture</li> </ul>			

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<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	The project is being defined.
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	MA Pirot, Department for economy and finances, Sonja Zlatković, the head; Jelena Popović, higher expert associate +38110332244 so <a href="mailto:pirot@ptt.yu">pirot@ptt.yu</a>

**PROJECT PROFILE FORM**  
for  
**Strategic Municipal Development Projects No.30**

<b>Name of Project</b>	Finishing the logistic centre of Free zone Pirot-sub-zone »Gradina«			
<b>Brief Description of Project</b>	The aim of Pirot Free Zone is to create a modern sub-zone in three phases. The area is approved for such a purpose and it will have a logistic transport centre, among other things.			
<b>Background and Objectives</b>	In the logistic centre, the following will be possible: distribution, transportation, storage, re-packaging, manipulation with goods, etc.			
<b>Implementing Institution(s) or Agency(ies), Project Owner</b>	Pirot Free Zone			
<b>Estimated Implementation Schedule</b>	% Year 1	% Year 2	% Year 3	
<b>Estimated Project Implementation and Operating Costs</b>	Estimated Capital Cost 42.0(Million CSD)	Annual Operating Cost (Million CSD)	Annual Maintenance Cost (Million CSD)	
<b>Proposed Financing Arrangement for Capital Investment</b>	% Grant Financing (Donor)	% Loan Financing (Financing Agency, Bank)	% Municipal Contribution (Budget status)	100% Other contribution (Institution, Type of Commitment)
<b>Financing of Annual Operating and Maintenance Costs</b>	% Tariff Income	% Municipal Transfer (Subsidy)	% Other sources (indicate)	
<b>Expected Beneficiaries (Target Groups)</b>	Industrial subjects			
<b>Expected Benefits (e.g. expected profits or savings, No. of work places, type and level of improved quality of life, etc.)</b>	<ul style="list-style-type: none"> <li>the logistic centre would offer services to a large area, including the needs of industry in the neighbouring countries</li> <li>to reduce unemployment</li> <li>saving by using special conditions and privileges for activities in the Free Zone</li> </ul>			
<b>Status of Project Preparation (i.e. Feasibility Study, preliminary or final design, bill of quantities, engineer's cost estimate, etc.)</b>	Investing idea			

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etc.)	
<b>Persons to contact</b> <b>Address:</b> <b>Phone:</b> <b>E – mail:</b>	Kostić Dragan, director of Pirot Free Zone nn Nikola Pašić Street +38110304073
<b>Note</b>	Pirot Free Zone has already provided assets, 60% of planned investment (360,000EUR). It is necessary to find a financial resource for 40% of the investment (240,000EUR) in order to finish realisation.

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