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SUSTAINABLE DEVELOPMENT STRATEGY OF GADŽIN HAN MUNICIPALITY 2012-2022





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**SUSTAINABLE DEVELOPMENT STRATEGY
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Introduction

There is no unique and universally accepted definition of the term - sustainable development. However, there is an agreement on the need for introducing this concept, as well as the awareness of the reasons for its creation. According to one definition sustainable development is “development aimed to meet the needs of the present without jeopardizing the ability of future generations to meet their own needs”.

Widely accepted opinion stems from the answer to the question: What is sustainable for one community? Above all, it is everything that is socially acceptable, i.e., that contributes to the social integration of the community, and then, it is what enables permanent economic growth – development. It also includes everything which ensures that content and measures of economic and social development are in accordance with ecological and spatial capacities (thresholds) of observed territory in the long-term projected period. Finally, it implies everything that is politically acceptable, what can be agreed and acted upon within current political circumstances.

Main result of abovementioned, widely accepted approach to sustainable development shows that it rests on four pillars:

- economical
- social
- cultural
- environmental

Sustainable development is possible only if all four pillars of development are present and equally important. In practice, this means that all four components of society development- economic, social, cultural and environmental- which at the same time represent sustainable development pillars, should be of equal significance and importance in state and society, firmly interconnected and provided with adequate institutional base.

Sustainable development strategy is a general strategic development plan of a municipality or a city which provides guidelines and incentives for future development. It defines sustainable development as target-oriented, long-lasting, comprehensive, synergetic process which affects all aspects of life (economic, social, environmental and institutional). Strategy focuses on creating a sustainable model which meets the socio-economic needs and citizens' interests in an effective way, but at the same time eliminates or, at least, significantly reduces impacts which represent threat or harm to the environment and natural resources.

The document Sustainable development strategy of Gadžin Han Municipality 2012-2022 is made by using participatory approach which assumes that all stakeholders are involved in the process. Involvement of a wider community (public, private and NGO sector) provides improving the quality of decisions made and, therefore, increases the responsibility for implementation. This kind of approach provides:

- Wider base of knowledge that enables better decision-making
- Support for decisions made
- The collective ownership over problems and results
- Forming of future partnerships in project implementation

All stakeholders are included in the process of creating sustainable development strategy:

- Representatives of local government and public utility companies
- Public institutions
- Regional institutions
- Financial institutions
- Private sector and investors



– Associations and non-governmental organizations

After stakeholders have been identified, selection of persons directly involved in developing the Strategy was made. Local self-government formalized this whole process with the establishment of legal act on member election for the Municipal Forum/Working Group/ Partner forum for developing the strategy in accordance with municipal regulations. Municipal forum was comprised of expert individuals from the municipal administration and other sectors.

The number of Municipal forum members is defined in accordance with the criterion of population, for the purpose of optimal control of the process: municipalities with up to 20.000 residents choose no more than 15-20 members. Elected members are representatives of all key areas of socio-economic development: economy-entrepreneurship, infrastructure, spatial planning and environmental protection, agriculture, tourism, education, culture, sport, finances, social and health policy.

The main person in charge of organizing and partially meetings management was the local coordinator, nominated by local self-government. He represented the link in the work between Strategic Planning Team, Regional Agency for Economic Development of the Sumadija and Pomoravlje which coordinated and assisted the whole process, local governments and Municipality Forum members.

Strategic document refers to the period 2012-2022, in which it will stimulate positive changes in municipality, through approved list of projects. It will represent umbrella document for all other sector strategies adopted. The implementation of the strategic document will be carried out by coordinating body, officially formed by local government. The body will act on the basis of the adopted short-term and medium-term action plan for strategy implementation which means forming of appropriate organizational structure assembled around each of the priorities and defined development programs.

Principle, according to which the document should be “alive” and give guidelines for municipality development in the next ten years, has been adopted. During this period, with the help of appropriate, accurately defined indicators, progress on annual and tree-year level will be measured, and after ten years, strategy alone will evaluate and provide the basis for making the next one.



Institutional framework and Sustainable development strategy

Sustainable development strategy of Gadžin Han Municipality is essentially important document which is bound and in accordance with the national/regional strategies, but which also provides guidelines for development of sector strategies, as well as precise indicators for more detailed plans.

Sustainable development strategy of Republic of Serbia was adopted in May, 2008, after three years of participatory process. The team that worked on creating the National strategy consisted of three groups, comprised of 70 experts and about ten non-governmental organizations. The entire strategy was based on four fundamental, national, strategic documents and 16 sector strategies. Four documents, essential to the formulation of the national strategic document were:

- Serbian National Strategy for the Accession of Serbia and Montenegro to the EU (2005)
- Draft of National environmental protection plan
- National Economic Development Strategy of the Republic of Serbia 2006-2012
- Poverty Reduction Strategy.

Obtained document represents umbrella document which all local sustainable development strategies should be in accordance with.

The following priorities are identified in the National Strategy:

- Priority 1. Membership in the European Union
- Priority 2. Competitive market economy development and balanced economic growth
- Priority 3. Human resource development and employment growth
- Priority 4. Infrastructure development and balanced regional development
- Priority 5. Environmental protection and improvement and rational use of natural resources

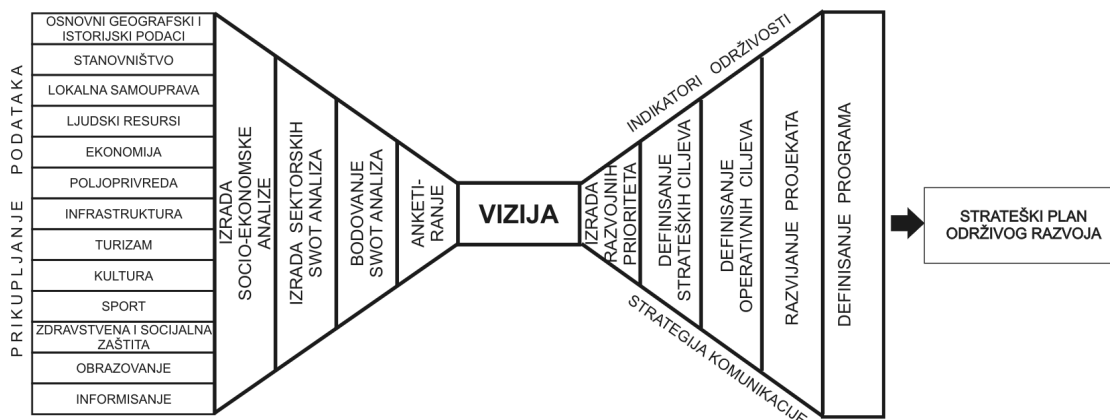
Vision and goals of sustainable development strategy of Gadžin Han Municipality, therefore, must be in accordance with the priorities of Sustainable development strategy of Republic of Serbia, since, the implementation of activities on local level will contribute to the realization of defined priorities, i.e., to the activities defined by National Strategy Action Plan, which was adopted by Government of Republic of Serbia in 2009.

Key moment in the process of creating Sustainable development strategies of Gadžin Han Municipality, is taking responsibility for implementation process or so-called process ownership. Since local government of Gadžin Han Municipality is the “manager” of its own territory, and as such has a key role in enabling sustainable development, it is, therefore, responsible for developing and implementing the strategic document.

Sustainable communities are those in which people want to live, not only at the moment, but also in the future.

Methodology of drafting the Sustainable Development Strategy

The document *Sustainable Development Strategy of Municipality of Gadžin Han 2012-2022* resulted from several successive stages which, all together, make strategic planning process. Each stage formed the basis for the implementation of the next one. The following picture visually presents the stages of strategic planning process.



The process of creating the Sustainable Development Strategy through stages and accompanying processes

The process started with thorough research which included data collecting in key areas of socio-economic reality of the municipality:

- Basic geographic and historical data
- Demography
- Local Self-government
- Employment and unemployment
- Education
- Economy
- Agriculture
- Infrastructure
- Tourism and sport
- Environment
- Health care and social security
- Culture
- Civil sector (NGO) and information dissemination.

Collected data give a reliable illustration of the current state in the municipality and serve as an input for formulating the document Socio-economic analysis of the municipality. The document represents municipality's "ID card", i.e., local community profile.

This document was later used as an adequate basis for the next stage – sector SWOT analysis development: using survey and data from the socio-economic analysis, matrices are made, with strengths, weaknesses, threats and opportunities, for all key sectors of the current socio-economic realities of the municipality.

After developing SWOTs for each area, scoring is performed in order to separate the most critical weaknesses and most competitive strengths onto which special attention will be paid when developing vision of Gadžin Han municipality. Vision represents the next stage of strategic planning process.

The vision of Gadžin Han municipality has a task to present the views of the entire community about where it sees itself in the next twenty years. As a participatory approach also involves



surveys, citizens of municipality of Gadžin Han were asked questions about where they see themselves in the next ten years, what they would want to be changed and what are their ideas for positive change in the local community.

Results of surveys processed, together with priority weaknesses and competitive strengths by sectors, represented inputs for Municipality Forum activities in developing the vision of Gadžin han municipality. Vision is transparent, precisely due to the survey and the presence of representatives of all stakeholders at all Municipality Forum meetings.

Defined vision of the municipality is the basis for forming the key development priorities of the municipality. At this stage, Municipality Forum is divided into thematic working groups gathered around each of the priorities. These formed cores were later complemented with the representatives of stakeholders.

Further activities of thematic working groups were associated with the development of strategic goals. Each of the determined priorities is decomposed into several segments for easier obtaining of financing sources in the future since, strategic goals defined in this manner, help in the later process of defining of development programs.

At the same stage, larger number of operational goals for each of the determined strategic goals has been defined. They are formulated according to SMART principle (Specific, Measurable, Achievable, Realistic and Timely), i.e. they represent future changed states, which are clear and easily measurable, but again, time-limited, realistic and in accordance with the defined vision.

Final stage is collecting of project ideas which were developed by members of thematic groups, in accordance with their competencies. Ideas were collected using on-line tool for generating project ideas OLENETWORK (www.olednetwork.rs/gadzinhan-projekti), which were developed by Regional Agency for Economic Development of Sumadija and Pomoravlje for the needs of local government of the municipality of Gadžin Han, as a part of a process of developing local strategic document. Using above mentioned tool brought about the final list of projects which will be implemented in the duration period of Sustainable development strategy of the municipality of Gadžin Han.

This stage also involved the final grouping of related projects into programs. Programs are of big importance for they are developed in accordance with existing budget lines of the local government, and as such, they facilitate obtaining of financing sources.

Parallel to the above mentioned activities related to the development of strategic document of the municipality of Gadžin Han, sustainability indicators are developed, whose purpose is to measure changes resulted from the implementation of action plan for Sustainable development strategy implementation. These sustainability indicators will be revised annually, until the expiration of Strategy duration period.

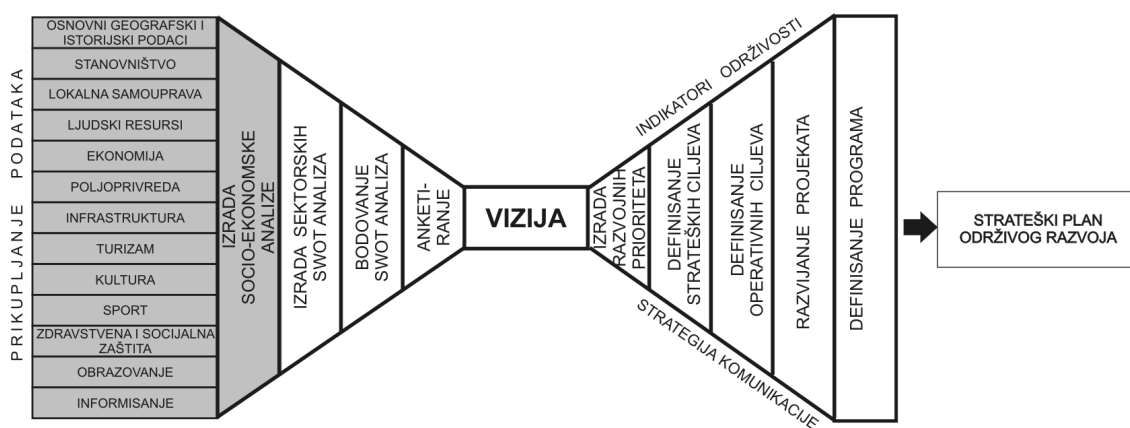
Stages of strategic planning process

As mentioned in the previous chapters, developing Sustainable development strategy of the municipality of Gadžin Han was one continual process composed of several successive stages, each one stemming from the previous one. Gradually passing through each stage, final goal was reached and that was final umbrella strategic document.

Strategic planning process is composed of following stages, which, at the same time, represent the chapters of this document:

- Socio-economic analysis of Gadžin Han municipality
- Sector SWOT analysis
- Competitive strengths and priority weaknesses
- Vision of Gadžin Han municipality:
- Development priorities
- Strategic and operational goals
- Projects and Programmes
- Recommendations for implementation of Sustainable development strategy of municipality of Gadžin Han 2012-2022

Socio-economic analysis of Gadžin Han municipality



Socio-economic analysis

Socio-economic analysis of the municipality of Gadžin Han defines the state of all socio-economic development factors, where, through analysis, trends review in the last five years is given. Local government profile or "ID card", how this analysis can also be called, is used to predict future changes, on one hand, and it provides insight in factors which led to the current situation, on the other. In that way, it provides the basis for defining the priorities and objectives of intervention.

The development of local community profile provides:

- support for Municipal Forum in making decisions about directions of intervention
- Giving the reviews of national and regional socio-economic indicators which enables establishing of framework for developing strategy
- Providing basic information which allows community to measure changes made with strategy implementation
- Support for sector SWOT analysis development

Development stage of Socio-economic analysis of the municipality of Gadžin Han included following sub-stages which led to the finalization of this segment of the strategic document:

- Defining the structure of socio-economic analysis



- Division of responsibilities within Municipal Forum
- Collecting data
- Data entry and processing
- Forming of a socio-economic analysis draft
- Presentation of socio-economic analysis draft at the Municipal Forum meeting
- Revision and amendment
- Creating a final version.

The document *Socio-economic Analysis of the Municipality of Gadžin Han* was created in 2011. In the process of its development, the data used was from national publications which record changes of socio-economic parameters, in the previous year, or previous two years, compared to last observed year of 2011 (National Employment Service, Statistical Office, National Bank...).



SOCIO-ECONOMIC ANALYSIS OF GADŽIN HAN MUNICIPALITY



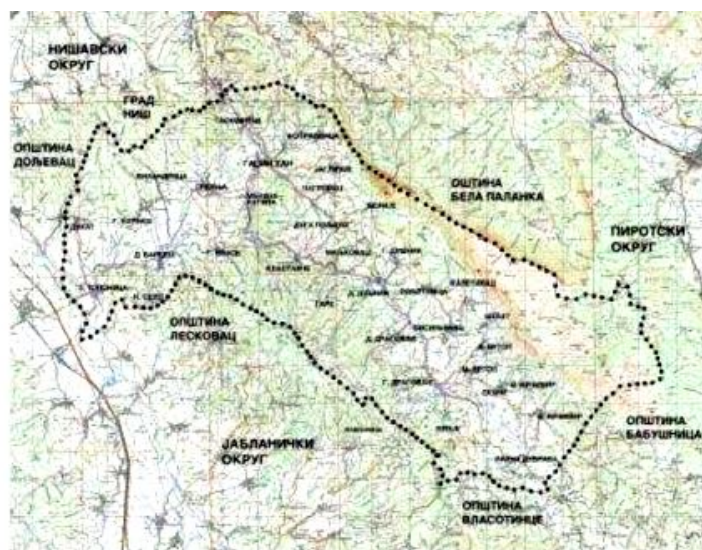
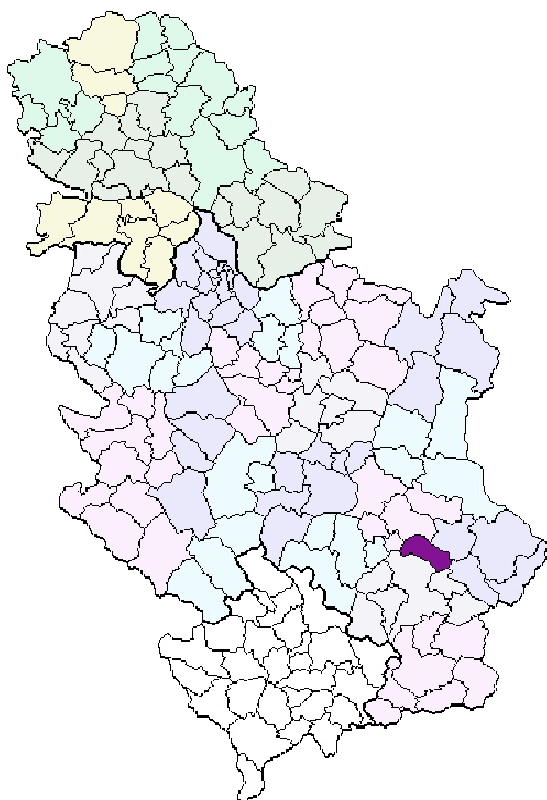
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Basic geographical and historical data

Geographic and demographic characteristics of the municipality

The municipality of Gadžin Han belongs to the Nišava District in Serbia. To the north the municipality borders Bela Palanka municipality and the City of Niš, to the south-east it borders Babušnica municipality, while to the south Gadžin Han borders Vlasotince and Leskovac municipalities, and to the west Boljevac municipality. According to the 2004 data, the municipality covers the area of 325km² (18.201 ha is agricultural land, and 10.610 ha forests. According to the census from June 30, 2004 there were 9.938 inhabitants, and the median age was 50,28 years



The area of Gadžin Han municipality pertains to the South-eastern Serbia, which is situated in the central part of the Balkan peninsula, as defined by Jovan Cvijić in 1924. The area of Gadžin Han lies between mountains Suva planina, Babička gora and Seličevica and mainly coincides with the territory of Gadžin Han municipality.

Gadžin Han municipality constitutes of 34 localities. Localities of Gadžin Han municipality are given in the following table:

Locality	Total number of enumerated persons	Population	Persons living abroad	Total number of households
1. Veliki Vrtop	225	218	-	109
2. Veliki Krčimir	335	333	3	179
3. Vilandrica	149	148	3	59
4. Gare	39	39	-	24
5. Gadžin Han	1263	1209	23	468
6. Gornje Vlase	128	95	-	59
7. Gornje Dragovlje	346	327	3	167
8. Gornji Barbeš	451	408	-	190
9. Gornji Dušnik	200	165	4	83



10. Grkinja	677	649	6	263
11. Donje Dragovlje	391	391	-	163
12. Donji Barbeš	169	169	-	93
13. Donji Dušnik	538	517	15	185
14. Duga Poljana	66	25	-	18
15. Dukat	208	197	-	76
16. Jagličje	56	56	-	37
17. Kaletinac	60	60	-	33
18. Koprivnica	59	59	-	32
19. Krstavče	101	98	3	56
20. Ličje	271	269	-	146
21. Mali Vrtop	130	122	-	61
22. Mali Krčimir	195	195	-	75
23. Marina Kutina	302	300	3	133
24. Mijkovac	35	35	-	17
25. Novo Selo	25	25	-	16
26. Ovsinjinac	148	148	-	73
27. Ravna Dubrava	315	294	3	142
28. Semče	232	226	3	103
29. Sopotnica	179	179	-	78
30. Taskovići	365	297	4	134
31. Toponica	882	874	5	256
32. Čelije	44	44	-	25
33. Čagrovac,	129	129	-	70
34. Šebet	57	57	-	27
Gadžin Han Municipality	8770	8358	78	3642

Source: Data from the latest census in 2011

The population density in years

Year	Population	Area in km ²	Population density in km ²
1948	23 380	326	71,7
1953	26 182	326	80,3
1971	19 974	326	61,2
1991	12 990	326	39,8
2002	10 419	326	31,9
2011	8 770	326	22,9

Source: Statistical Office of the Republic of Serbia

Relief

The area is 325.5km² – mostly of highland type of relief.

With its territory Gadžin Han municipality goes into Pomoravlje, the South Morava River and Niš-Skopje highway, i.e. Corridor 10. Since the area of Gadžin Han is bordered by three mountains and the South Morava River, it has plains at 200m altitude, and some terrains rising up to the 1.808m altitude. The area of plains is insignificant, so it can be said that Gadžin Han municipality is highland



area, where hills alternate with mountain slopes and reefs. Two natural entities are characteristic for the relief of Gadžin Han municipality.

Gornje Zaplanje lies between mountains Suva planina and Babička gora and stretches in Northwest-Southeast direction. Rural settlements that lie at the foot of mountain Suva planina have high density housing on a comparatively high altitude from 400 to 800m. The settlements that lie at the foot of Babička gora are more compact in terms of grouped housing. Gornje Zaplanje is 20km long, while its width ranges from 8 to 12km. The river that flows throughout almost the entire area of Gornje Zaplanje is called Kutinska reka.

Donje Zaplanje is bordered by mountain Seličevica on the northwest, and on the west side it is open towards the South Morava River, while on the southeast side it is bordered by mountain Babička gora and on the east by Suva planina. This part is 17km long, and 6 to 8km wide.

Mountains

Only a small part of the municipal territory next to South Morava belongs to the lowland while the rest of it belongs to the highland, within which three mountains can be singled out: Seličevica, Babička gora and Suva planina.

Seličevica rises from 350m to 902m altitude, on which lies its highest mountain peak, Ibrovica. **Babička gora** rises from 300m to 1057m altitude, with its highest mountain peak, Kriva Buka. **Suva planina** is the highest and largest mountain and its highest mountain peak is Trem, 1808m high.

Waters

There are not many water bodies in Zaplanje area. There is a large number of mountain springs of low intensity. Srednje and Gornje Zaplanje have more water bodies than Donje Zaplanje.

All rivers of Zaplanje flow in three directions. Most of the rivers in Zaplanje flow into the Kutinska River that flows through Suva planina on one and Babička gora and Seličevica on the other side and empties into Nišava next to Brzi Brod. The Barbeška River has different direction. It collects waters of the Vlaška, Vilandrička, Gornjobarbeška i Donjobarbeška Rivers and next to Toponica it empties into South Morava. Third flow direction of Zaplanje's waters is the one of the Drman River, that collects waters in the area of Ličje, Krčimir, and from Ravna -Dubrava it turns into the Mlaka River and empties into the Pusta River. Thus, all waters of Zaplanje flow into South Morava and belong to the Nišava i.e. South Morava river basin.

Most of the rivers of Zaplanje have a low water intensity, which is increased by the denudation of the mountains, so most of them are of flooding type which dries in the summer. Consequently, in the summer time the rivers are only dry riverbeds until the rain falls. The water issue was acute in the most of villages in Zaplanje until 1970. There isn't enough spring water in the villages so the local population is forced to dig wells, stone them and thus provide drinking water and water for cattle.

Climate

The humid-continental climate prevails, while in the highland parts it's cold continental climate with short and cool summers and cold winters. Gadžin Han has humid-continental climate in lowland, while on mountains Suva planina and Babička gora the climate has characteristics of cold continental climate and mountain climate. In Gornje Zaplanje a slightly harsher humid-continental climate prevails, while in Donje Zaplanje the climate is milder. Frost period is not longer than 230 days in Niš and its surroundings, which is also taken as the highest number of frost days in Serbia, except for Negotin. Climatic characteristics of Zaplanje are favourable for the wine production and also for the production of seeds and tobacco, as well as berry fruit. The summer months (June, July, August and September) are very warm which is favourable for agricultural production. The climate in Zaplanje is convenient for arable crops as well as other crops that require dry and long summer period. However, tradition and favourable natural conditions predispose Gadžin Han as a territory for livestock breeding. Accordingly, it can be concluded that the future of Zaplanje lies in food production.

Geostrategic position

With its territory Gadžin Han municipality extends out to Pomoravlje, the South Morava River and Niš-Skopje highway, i.e. Corridor 10. Three regional road networks go through the municipal territory. The local road network is underdeveloped. Through road R-242 Gadžin Han is connected to the Highway – 16 km. In the last few years, thanks to the Ministry of Infrastructure and the "Roads of Serbia" company, road infrastructure on the regional road routes R-241, R-242, R-124 has been reconstructed and rehabilitated.

Historical data

Gadžin Han municipality is situated in the heart of Zaplanje and covers the area of 326km². The inhabitants of Zaplanje are mountain people who live in or behind the mountains so they are called Zaplanjci (*Zaplanje people*), named after the area (*Zaplanje = behind the mountain*). Gadžin Han was once called Prokopova Kutina. Kutina was situated in the valley, eastward from today's centre of the village. There are two legends how the villages got their names. One of them tells about brothers Emin and Draško Prokop and their sister Maria. The other one refers to Gadžin Han. The legend says that the road from Niš to Babušnica was burrowed, so the settlement got the name Prokopana Kutina or Prokopova Kutina (*prokop - burrow*). The traces of this road still exist.

When brothers Stanko and Stojan came into Prokopana or Prokopova Kutina in 1850 they have built a *han* (*han – in*). Stanko, one of the brothers, had the nickname Gadža, so the people were saying that they were going to Gadža's Inn or *Gadžin Han*. Until 1944 the official name was Prokopova Kutina, and since 1944 the place bears the name Gadžin Han. Via militaris – the roman road (Dubrovnik – Constantinople), 43 remains of the foundations of Byzantine churches, the Church of Holy Ascension from XIV century in Veliki Krčimir, The Church of Holy Lucas in Donje Dragovlje, the Trinity Church from XV century in Čelije, The Church of the Dormition of the Holy Mother of God in Grkinja from XVI century, the memorial fountains in Veliki Krčimir, Sopotnica, Donja Poljana, Novo Selo, Gornji Barbeš, Tanasković, The monuments in Gornji Dušnik of Vrelo, Obelisk in Grkinja, Vitko Radenković and Dragutin Matić in Gadžin Han.

Since the Roman period Gadžin Han was on the road route so the trade of agricultural and handmade products was developed throughout the history. The spatial development of Gadžin Han has been going on spontaneously since its foundation till the last years of XX century. The oldest (northeast) physiognomic part of the locality is Selo. The core of today's central part of the locality – the Centre, was founded in the middle of XIX century. New physiognomic parts were founded along the road towards Niš – Berina slope, and towards the village of Jagličje – Korenjača, along the old road towards Dušnik – Venežica and on the left bank of the Kutinska River – Dubrava.

After WWII the major results in the urban planning of the locality were achieved: The modern electrification was installed in 1945/6, the water supply system was built in 1970/1, the roads to Niš, Vlasotince, Babušnica and Pirot were paved with asphalt in 1975, the Cultural Centre with library and the permanent display of paintings was built in 1970, the centre of the locality, was urbanized in the 90s of XX century with the monuments to Saint Sava and Dragutin Matić erected, known as "the Eye of the Eagle" (the Salonika soldier and the Scout from WWI), alongside many other examples.



The Cultural Centre in Gadžin Han



The Dragutin Matić monument



It is important to mention the drafting of the *Development strategy of Gadžin Han municipality 1997-2005* (Republic Institute for Development, Belgrade), in which, among other things, were determined basic directions of the development orientation in infrastructure, economy and industry, public services and other fields. The partial planning and design of physiognomic structure of Gadžin Han has recently been performed, while the influence of urban planning can be seen in general provisions of the GUP (General Urban Plan), that has been under construction since 2003. Among other things, this plan includes planning for territorial expansion of the localities (planned area for construction is 635ha) through building the residential zone on the left bank of the Kutinska River, leaving the industrial zone on the north part of the settlement, forming the sport-recreational zone along the Kutinska River and finalizing the regulation of its flow, as well as reconstructing the old mill at the right bank of the Kutinska River, where a church (Dormition of Čuk) is to be built and founding the touristic and recreational centre.

Natural characteristics

Forests

Forest resources are relatively large, 11.691ha (33,4% of the territory). Oak and beech are dominant species. The total of forested area in the municipality is 8806ha. The individual sector possesses 60% of forests, the average wood pulp per year is 1700m³

Forested areas and the average wood pulp in 2007

Forested ha	
In the forest, deciduous trees	-
In the forest, evergreen trees	-
Outside the forest, deciduous trees	-
Outside the forest, evergreen trees	-
Total area covered in forest, ha	8806
The average wood pulp	
Total m3, deciduous trees	2501
Total m3, evergreen trees	-
Technical wood, % deciduous trees	4
Technical wood, % evergreen trees	-

Source: Local Government

Almost every household in Gadžin Han municipality owns a forest and uses it for heating in winter time. In the last few years a more intensive exploitation of forest and selling of wood have been noticed.

Minerals

The biggest calcite mineral reserves can be found next to the village of Čelije, but also it can be found in smaller amounts in the area of Marina Kutina, Gornji Barbeš and Toponica. Calcite in this area has a high level of purity (99,7%) and fairness (98%) with 1.600.000 tones of determined reserves, which is enough of reserves for 36 years of exploitation. When it comes to the bentonite, it can be found in the areas of Ličje and Ravna Dubrava, and determined reserves allow 30 years of exploitation. However, bentonite (white soil, fizzy soil) can be found in other parts of Zaplanje. So this mineral can be found in the area of Gornji Vlas, but those are small amounts or better said, unestimated amounts. In the area of Veliki Krčimir considerable amounts of tufa, a variety of limestone, have been discovered, as well as amounts of tuff in the area of Gornji Dušnik. Deposits of construction sand can be found in the area of Zaplanje around Duga Poljana and Taskovići, in the valley of the Barbeška River and South Morava. All in all, the mineral resources of Zaplanje are insufficiently explored.

Soil

The soil in Gadžin Han is heterogenous. This is due to the diversity of the geological composition and climatic conditions of this area. One type of the soil is formed on marls, greenstones and sandstones, and the other type is formed on limestone massif. According to the scientific data about the area at the foot of Suva planina, right next to the border rivers, alluvial soil is the lowest layer of the terrain. It is replaced on higher terraces by vertisol (fertile clay soil), with frequent occurrences of cambisol (brown forest soil). Third layer of soil at the foot of Suva planina, before limestone massif, is podsol which is formed on sandstones. At certain altitude limestone massif is interrupted and changes the very core of soil zoning, since other soils appear on limestone, from its base to the top of the mountain, and they are alternating in zones as the altitude increases. According to the research, the following types of soil are present on the limestone massif of Suva planina:

- Redish–mineral soil and terra rosa on the altitude of 850m
- Mineral soil on limestone (terra fusca) on the altitude of 1100m
- High altitude or mountain podsol that occupies the zone of beech forest, between 1100 and 1500m

Mountain humus, on the altitude of 1400-1500m

According to the research of the Institute „Kirilo Savić“, Belgrade around 50% of agricultural land in Zaplanje is covered by following soil types: cambisol, terra rosa and alluvial-diluvial deposits. For highland and mountainous terrains, these types of soil can be defined as soil of normal fertility.

Cambisol takes up around 22% of cultivated land. This land covers the biggest part of Donje Zaplanje field alongside South Morava and Barbeška River, and in the lower flow of the Kutinska River it exists in smaller amounts. This soil exists at the altitude of 500m and on flatter terrains. According to their mechanical composition, reaction of the loam is medium acid to neutral, medium to high amount of products of organic mineralization, suitable for growing crops. These are top quality types of soil in the municipality. Cambisol is mainly used for growing crops and vegetables, but also for vineyards (in Grkinja) and orchards (G. Barbeš, D. Barbeš, Z. Toponica). Rendzina, brownish soil and terra rosa take up around 25% of agricultural land. These types of soil are of lower quality and are used for ploughland or covered with forests and pastures.

Brown soils are used for meadows, pastures, forests and ploughland. These soils spread over medium-altitude zones. Soil reaction is medium acid to neutral.

Terra rosa can be found on the slopes of Suva planina and at some places it goes down to the Kutinska River. This soil is suitable for processing and growing different cultures (crops, tobacco, etc). Diluvial-alluvial deposits take up around 21% of agricultural land. They can be found in parts with the lowest altitude, i.e. the river valleys. This is fertile soil, adequate for growing crops, orchards and vineyards, tobacco and other cultures.

Podsol soil takes up a quarter of agricultural land and spread on the slopes of mountains Babička gora, Seličevica and on some parts of Suva planina. This type of soil is of medium fertility. It has an acid reaction and is less suitable for growing cultures. They are covered with pastures and meadows, also can be used for growing stubble fields.

Third type of soil is skeletal soil, with lowest fertility level, and takes up around 7% of agricultural land. This soil can be found on steep terrains with limestone base, especially on Suva planina.

The characteristics of types of soil in Gadžin Han municipality, important for the development of agriculture, are: reddish-mineral soil and terra rosa, mineral soil on limestone (terra fusca), podsol, mountain chernozem, mountain humus, skeletal soil and red soil on sandstone.

Reddish-mineral soil and terra rosa. This type of soil is formed on the base of Suva planina, but also in the other parts of municipality. Reddish-mineral soil is mostly covered with forest, and typical terra rosa can usually be found on the places where the forest has been destroyed. Due to higher level of clay, terra rosa is not very suitable for cultivation and during the summer this soil solidifies and cracks. Even though it is rich in its structure allows for high permeability. Therefore this soil can be cultivated when mildly moist, while it is very difficult to cultivate it when it is dry and highly moist.



This soil contains more humus than cambisol. It also contains lot of organic nitrogen, but has low fertility level because it is shallow and dry. It contains small amounts of soluble potassium and phosphorus.

Limestone mineral soil (terra fusca). This soil is widely spread on Suva planina at the altitude of 850-1100m. This soil is the richest when it comes to plant species. It is very shallow since it is on limestone. According to its mechanical composition it is heavy clay. **Podsol.** Podsol can be found on three completely different altitudes. In Pomoravlje it is found as lowland podsol. On higher river terraces it can be found at 350-700m. Third altitude zone is podsol at the 1100m altitude. Podsol of mountain Suva planina belongs to medium and mild podsol, but occasionally intensive podsol can appear.

Mountain humus. This type of soil is formed under pastures and forests. On the southern and eastern side of Suva planina, humus can be found at 1500m altitude, while on the northern side at 1600 and 1800m. Humus is formed on karsts relief, which is typical for Suva planina.

Forest humus. This type of humus is formed on the northern side of Suva planina, in the forest, at the 1400-1800m altitude. This soil mostly contains organic matter and humus, while poor in minerals.

Skeletal soil. This soil is formed on Suva planina by decomposition of red sandstone. It is genetically undeveloped.

Limestone red soil. This soil is formed on Suva planina by decomposition of red sandstone. It is genetically undeveloped.

Demography

Main contingent of the population

As it was already noted, Gadžin Han municipality can be included in *old* municipalities considering that more than the half of the population, 56%, belongs to the age group of over 50. Municipality is characterised by negative population growth of -18,7‰, number of young people is decreasing year after year- population of under 20 years makes only 15,4% of total population.

Preschool children (under the age 7)		450
School children (age 7-14)		580
Working population	Total	5.621
	Men (age 15-64)	3.072
	Women (age 15-64)	2.549
Women in fertile period (age 15-49)		1.445
Population aged over 65		3.675
Share of working population (%)		53,72
Share of population aged over 65 (%)		35,12
Total:		10.464

Source: Statistical Office of the Republic of Serbia

Critical mass of population is 64%, while the share of agricultural population in comparison to total population is 45,7% (three times more than the republic average), while its active part goes up to 88,6%. There are 1252 unemployed persons, 620 of which are women.

Total population	
The average age	50.93
Ageing index	290.01
Main contingent of the population	
Working (age 15-65)	
Number	4605
%	49.97
Adults (age 18+)	
Number	7944
%	86.20
Preschool (age 0-6)	
Number	424
%	4.60
School obligatory (age 7-14)	
Number	624
%	6.77
Fertile (age 15-49)	
Number	1297
%	14.07
Life expectancy of newborns 2005-2007	
Male	74.22
Female	75.2

Source: Statistical office of the Republic of Serbia



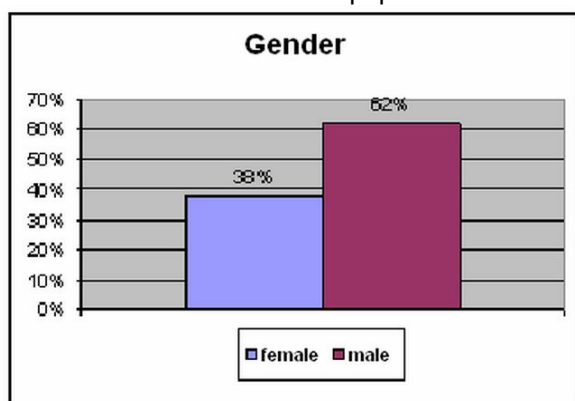
Population according to age and gender

Age, gender	Number	Age, gender	Number
Total:	10464	45-49 years	623
Male	5258	Male	380
Female	5206	Female	243
0-4 years	306	50-54 years	607
Male	148	Male	336
Female	158	Female	271
5-9 years	338	55-59 years	603
Male	157	Male	303
Female	181	Female	300
10-14 years	386	60-64 years	1021
Male	210	Male	488
Female	176	Female	533
15-19 years	403	65-69	1239
Male	207	Male	560
Female	196	Female	679
20-24 years	397	70-74 years	1229
Male	235	Male	554
Female	162	Female	675
25-29 years	430	75-79 years	754
Male	232	Male	305
Female	198	Female	449
30-34 years	481	80-84 years	312
Male	279	Male	130
Female	202	Female	182
35-39 years	516	Over 85 years	141
Male	304	Male	66
Female	212	Female	75
40-44 years	540		
Male	308		
Female	232		

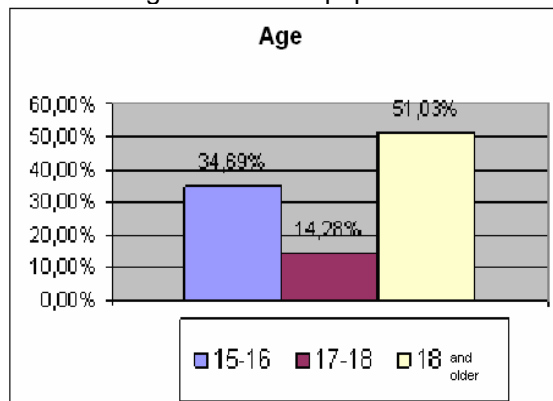
Source: Statistical office of the Republic of Serbia

Gadžin Han municipality is considered one of „old“ municipalities, being that over half of the population, 58%, belongs to the age group of over 50. Municipality is characterised by negative population growth of -18,7% and the fact that population of under 20 years makes only 15,4% of total population. The average age is 50,93 years. The working population is 4605, that is 49,97% of total number of citizens in Gadžin Han.

Gender structure of population



Age structure of population



Educational structure of population

	Total:	Population with			Population share		
		High school	Higher school	University	High school	Higher school	University
Serbia	7.498.001	2.596.348	285.056	411.944	34,63	3,80	5,49
Nišava District	381.757	125.313	14.659	23.131	32,83	3,84	6,06
Gadžin Han municipality	10.464	2.144	141	63	20,49	1,35	0,60

Source: Statistical office of the Serbia

According to the latest census from 2011, Gadžin Han Municipality has 8.770 citizens, which represent 16.2% less citizens than in the previous census. Other statistical indicators (population with high school, higher school and university degrees) are not yet available.

Population according to activity, 2002 census

Total:		10.464
Active population	Total	3.989
	Employed	3.240
Population with personal income		3.572
Supported population		2.894
Population working/living abroad	Total	9
	Working	5
	Family members	4

Source: Local government- 2002 census

According to the latest official census, the active population of Gadžin Han had 3989 persons.

Households according to the number of members

Year	Population	Number of households	Member per household (average)
1948	23380	4607	5,07
1953	26182	4795	5,46
1971	19974	5233	3,82
1991	12990	7027	1,85
2002	10419	4232	2,46
2011	8357	3650	2,29

Source: Statistical Office of the Republic of Serbia



Vital events

Year	Liveborns		Stillborns		Population growth	
	Per year	# per 1000 citizens	Per year	# per 1000 citizens	Per year	# per 1000 citizens
2000	75	6,6	257	22,5	-182	-15,9
2001	51	4,6	253	22,6	-202	-18
2002	69	6,6	250	24	-181	-17,4
2003	64	6,3	236	23,1	-172	-16,8
2004	62	6,2	258	26	-196	-19,7
2005	38	3,9	271	28	-233	-24,1
2006	48	5,1	219	23,2	-171	-18,1
2007	34	3,7	218	23,7	-184	-20
2008	36	4,0	235	26,2	-199	-22,2
2009	23	2,6	209	24,0	-186	-21,3

Source: Statistical Office of the Republic of Serbia

Ethnicity

Nationality	1981	1991	2002	Nationality	1981	1991	2002
Serbs	15994	12646	10170	Bulgarians	3		2
% share	98,24	97,36	97,20,	% share	0,02		0,01
Hungarians		1	1	Muslims	2		
% share		0,01	0,009	% share	0,02		
Macedonians	28		4	Montenegrin	15		12
% share	0,18		0,9	% share	0,10		0,11
Romanians	1			Bunjevci			
% share	0,01			% share			
Slovaks	1		1	Albanians	1		
% share	0,01		0,009	% share	0,01		
Yugoslavians	23	33	2	Ukrainians			4
% share	0,15	0,26	0,01	% share			0,9
Roma	162	158	179	Czechs			
% share	1,00	1,22	1,71	% share			
Croats	4	4	6	Vlachians			
% share	0,03	0,04	0,06	% share			
Slovenians	2		1	Bosniaks			
% share	0,02		0,009	% share			
Germans	2			Goranci			
% share	0,02			% share			
Other	2	127	82				

Source: Local government

Local Self-government

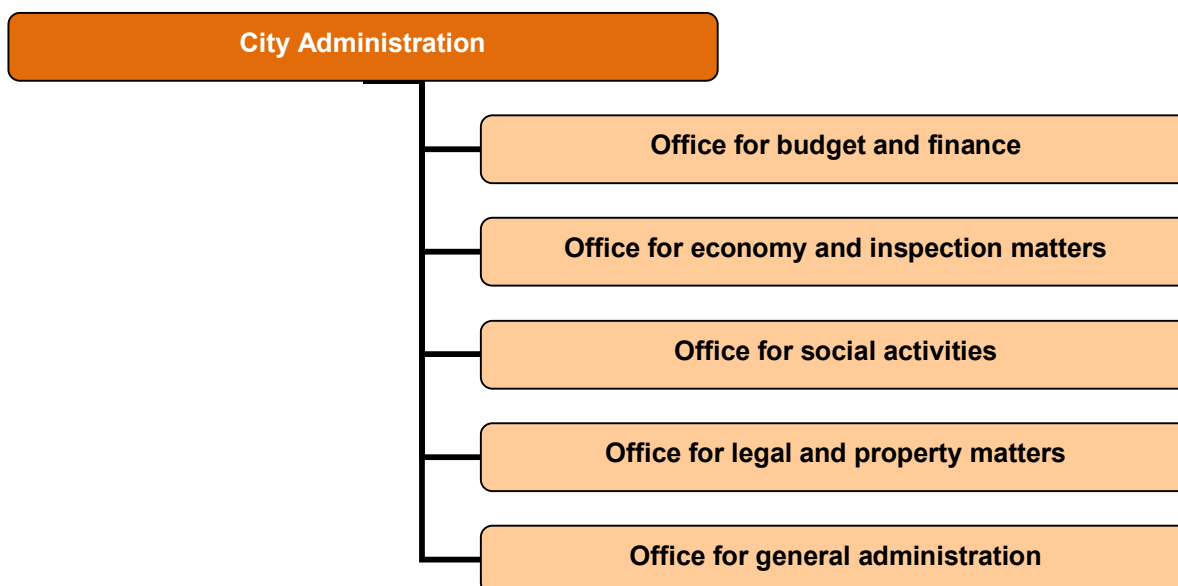
City council of Gadžin Han has 33 members. There are five electoral lists within the city council of Gadžin Han.

Permanent working bodies of Gadžin Han city council are:

- Committee for mandatory and administrative issues
- Committee on regulations, appeals and suggestions.
- Directorate for development, finance, economy, agriculture and public services,
- Directorate for self-government of the localities
- Directorate for youth, sport, culture and religious matters

City council consists of: Municipal president, deputy municipal president and five members of the city council.

City administration is organized as follows:



According to the above structure, local self government has 40 employees. When it comes to public services, there is one public service company that operates on the territory of Gadžin Han and it is Public Utility Service - Directorate of Construction which employs 42 people.

As for the qualification structure of the employees in the city administration, 13 of 40 employees have attained elementary degrees, another 13 have attained high school degrees, while 4 employees have attained post-secondary higher education degrees and 10 have attained university degrees.

Employees of local self government have 41 computers at disposal as well as ADSL internet connections, which means that Gadžin Han city administration is one of those that meet bottom margin when it comes to necessary working equipment in the working place.

Local self-government has its web presentations: www.gadzinhan.rs and www.gadzinhan.com (business portal).



Local self-government – the most important actor in the development of youth policies

Through its bodies, in accordance with the Constitution and the Law, the municipality of Gadžin Han brings: Development programmes, urban plans, budget and annual statement; regulates and manages the development and activities of public services, and also provides material and other conditions for their performance.

City council adopts programmes for construction land planning, regulates and manages the use of business space, takes care of environment protection and manages and provides activities related to construction, revitalization and reconstruction, maintenance, protection, use, development and management of local and uncategorized roads, as well as streets in the localities.

City council also forms institutions and organizations in the field of elementary education, culture, primary health care, physical culture, sports, children and social welfare and tourism, monitors and enables their operation, organizes the activities related to protection of cultural assets of importance for the municipality, promotes the development of amateur activities in culture and arts and creates conditions for work of the cultural institutions which it also founds.

City council also organizes protection from natural and other major crisis situations, adopts the basic rules for protection, use and planning of agricultural land, regulates and determines the means of use and management of the springs, public wells and fountains; promotes and manages the development of tourism on its territory, takes care of promotion and development of catering industry, craftsmanship and commerce, regulates working hours, places where certain activities can be performed and other conditions for their operation.

Furthermore, the city council provides for public information dissemination which is of importance on local level. Promotes and assists the development of cooperatives, and if necessary, organizes legal help service for the citizens, establishes cooperation with other cities and municipalities.

In order to exercise its rights and duties and meet the needs of local population, City council can, through a special decision, form companies, institutions and other organizations that perform public services.

City council consists of 33 members. City council has seven members: Municipal president, deputy municipal president and five members of the city council.

Permanent working bodies of Gadžin Han city council are:

- Committee for mandatory and administrative issues
- Committee on regulations, appeals and suggestions.
- Directorate for development, finance, economy, agriculture and public services,
- Directorate for self-government of the localities
- Directorate for youth, sport, culture and religious matters

Employment and unemployment

Statistical data show that during the 1970s and 1980s, the biggest number of employed persons in the Municipality of Gadžin Han were employed in the industrial sector. It can be said that this sector employed over 50% of the population, whereas the commercial sector employed over 10%.

Employment

Year	Employed persons		Entrepreneurs, employees in institutions, cooperatives and other	Self-employed persons	Number of employees per 1000 citizens	
	Total	Women (%)			Total	Entrepreneurs, employees in institutions, cooperatives and other
2004	3560	34,8	1696	1864	358	171
2005	3477	44,1	1533	1944	359	158
2006	3233	37,7	1333	1901	342	141
2007	3314	36,6	1242	2073	360	135
2008	2772	36,5	1206	1567	309	134
2009	2363	36,6	1012	1351	271	116

Source: Statistical Office of the Republic of Serbia

The number of entrepreneurs and small business owners on the territory of the municipality is continuously increasing year after year. The main reasons to that are simplified administrative procedures and less time needed to obtain relevant documentation in the local tax administration office comparing to the neighbouring city of Niš. A disadvantage is that most of these registered entities perform their activities on the territory of Niš, i.e. their micro and small businesses are located on the territory of Niš. However, the number of entrepreneurs decreases again in 2008. and 2009.

Unemployment

Year	Total	First-time job seekers		Without qualifications		Women		# per 1000 citizens
		total	%	total	%	total	%	
2004	1255	668	53,2	530	42,2	547	43,6	126
2005	1386	757	54,6	660	47,6	699	50,4	143
2006	1287	610	47,4	597	46,4	619	48,1	136
2007	1167	494	42,3	525	45	559	47,9	127
2008	1007	398	39,5	414	41,1	460	45,7	112
2009	962	330	34,3	389	40,4	424	44,1	110

Source: Statistical Office of the Republic of Serbia

The above table shows that the number of unemployed persons is the highest in 2005. High unemployment rate is the result of the fact that most of the privately owned businesses closed which consequently lead to firing employees. The number of unemployed women on the territory of Gadžin Han has also reached its peak in 2005.

According to the data from the latest census (autumn 2011) there were 1269 unemployed persons registered in the municipality of Gadžin Han.

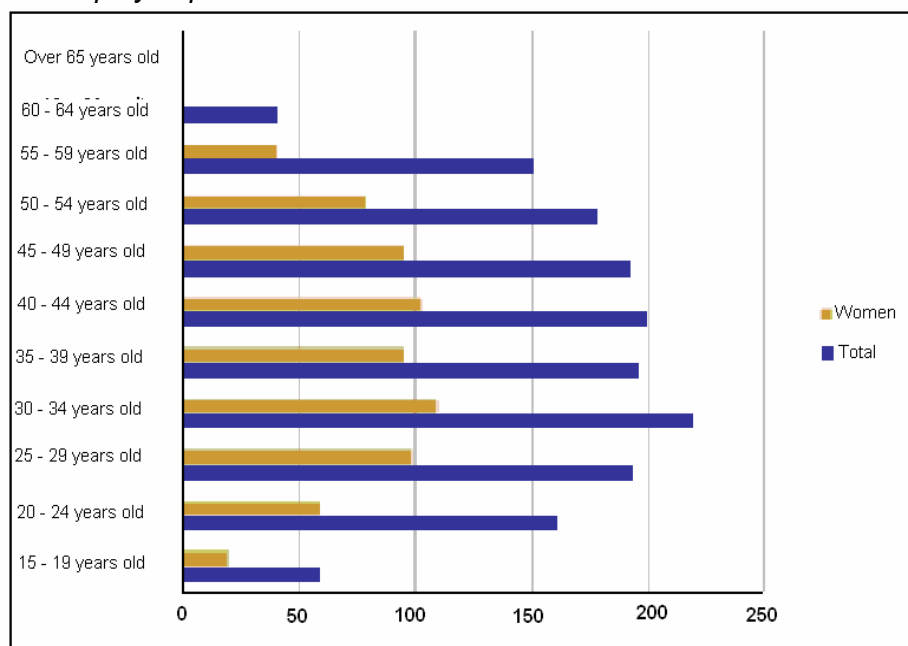
Qualifications structure of unemployed persons

	Gadžin Han Municipality	Share of the total number of unemployed persons (%)
TOTAL	1269	100
Without education	44	3,5
Elementary education	473	37,3
High school education	715	56,3
Post-secondary higher education	17	1,3
University education	20	1,6

Source: National Employment Agency

The qualification structure of unemployed persons registered in the municipality shows that the unemployed persons with high school education are dominant, as they make 56,3% of the total number of unemployed population. Big share of the structure is taken up by the groups of unemployed persons without qualifications.

Age structure of unemployed persons



Source: Local Self-government

Age structure shows the biggest share of unemployed persons in the age group of 30-40 years old, while the share of unemployed women represents the half of the observed groups.

These data point to the necessity of taking actions in the field of formal and non-formal education, as well as employing strategic support measures in employment on local and national level. Certain incentives with the aim to increase business activity and employment rate are reflected in the following activities:

- Support of international grant programs through incentives for start-up businesses and support for existing ones
- Support of local institutions through programmes of national Employment Agency and Development Fund of The Republic of Serbia

National Employment Agency (NEA) functions on the basis of Law on Employment, Labour Law, Employment Records and Recordkeeping Law, Law on Professional Rehabilitation and Employment of Persons with Disabilities, Statute, Rules of Procedure, etc. On the territory of Gadžin Han municipality NEA balances the offer and demand on the labour market, functions as intermediary



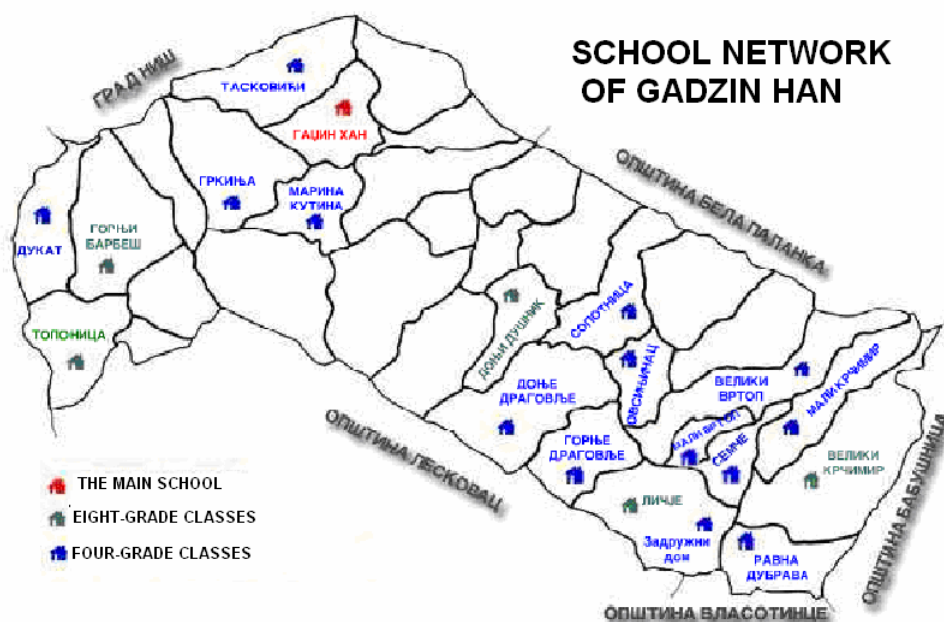
between companies, education centers and schools, plays an active role in the development of local strategies and employment programmes.

NEA is the institution that takes care of unemployed persons in the municipality in an organized way. Unemployed persons have the right to be informed about the employment opportunities and requirements. NEA mediates in employment, organizes additional education and trainings, performs measures of active employment policy, provides financial compensation during the period of unemployment.

Education

Elementary school "Vitko i Sveta", founded in 1984 after the integration of schools "Vitko Radenkovic" in Gadžin Han and "Sveta Sarkovic" in Ličje, is located on the territory of Zaplanje, municipality of Gadžin Han, Nišava district.

School network map by cadastre localities of Gadžin Han municipality



Until 1970 the municipality of Gadžin Han had five eight-grade schools: Elementary school "Vitko Radenkovic" in Gadžin Han, Elementary school "Dositej Obradovic" in "Gornji Barbes", elementary school "Sveta Sarkovic" in Donji Dušnik, elementary school "Svetozar Markovic" in Ličje, Elementary school "Vuk Karadzic" in Veliki Krčimir. In 1970 all five schools were integrated in two new ones: Elementary school "Vitko Radenkovic" in Gadžin Han (Gadžin Han and Gornji Barbes) and Elementary school "Sveta Sarkovic" in Ličje (Ličje, Donji Dušnik, Veliki Krčimir).

Due to the decrease in the number of pupils, the existing two schools were again integrated into one that consists of another four eight-grade classes (Gornji Barbeš, Donji Dušnik, Ličje, Veliki Krčimir) and fourteen four-grade classes (Taskovići, Marina Kutina, Grkinja, Zaplanska Toponica, Dukat, Dragovlje, Ravna Dubrava, Mali Krčimir, Semče, Veliki Vrtop) and as such, this school exists to date. In 1993 the number of eight-grade classes was increased by one. New elementary school for students from 1st to 8th grade was built in Toponica. The number of four-grade classes was also increased by one in Mali Vrtop, for the students from 1st to 4th grade.

The biggest number of schools, especially district classes, meets only the minimum standard when it comes to equipment and utility service (gymnastics halls and other equipment are in poor condition or completely lacking). There is no special school for developmentally challenged children on the territory of the municipality, nor is there day care centre for children with disabilities.

Judging by the current number of students in the eighth grade in all elementary schools on the territory of the municipality, the number of high school students will decrease and there is also an obvious trend of decrease in the future generations.

Considering the fact that there is no high school in Gadžin Han, entire youth population must enrol in high schools outside of their home places.

Economy

Fast-paced functional development of Gadžin Han municipality, best reflected in the increase of its functional capacity, is typical (functional transformation of the municipality and its progress in hierarchy ranks) since 1960s to date, apart from the period after the liberation from Turkish rule. During this period industrial sector was under development with main actors: State-owned company for textile production "Zateks" (380 employees), Construction company "Rad" (79 employees), founded in 1975, Shareholding company for armature production "MIN -AGH" (160 employees) founded in 1980 and a plant of "El Plastik" from Niš (73 employees) which started working in 1961. In the last 15 years most of these companies have reduced their production or marked a significant decrease in work force after the privatization process.

Other companies in the municipality of Gadžin Han have been facing a constant drop in production due to poor business conditions, restructuring or privatization. AGH- armature Company, ELID – cable factory, textile factory "Zateks", "Resor" – utility equipment factory are the enterprises that represent foundation of economy in the municipality and these companies employ around 400 people. Moreover, small and medium-sized enterprises have a significant role in the overall development of the municipality. These companies are no longer active.

When compared with the development stage between the two world wars, craftsmanship marks a negative trend. According to the municipal registry, in 2003 there were 13 craft shops (6 were dealing with manufacture and 7 in services). Commercial and catering activity is also of significance only on local level. It is reflected in the work of 19 retail stores (eleven of which are privately owned) and 7 catering facilities.

Economic development of Gadžin Han municipality is primarily based on SMEE development in agriculture, tourism and food processing sector.

Even though the data on the percentage of employees in certain sectors show that the most people are employed in processing industry, it must be taken into account that these data apply only to business entities. Number of rural households is not included. Statistic also does not include the percentage of self-employed craftsmen, and their employees. Having all of this in mind, given indicator applies only to 37,40% of employed population.

Structure of entrepreneurship sector shows that entrepreneurs mainly deal with services and that they show great flexibility towards market changes.

Number of registered companies per 1000 citizens	2005.	2006.	2007.
Republic of Serbia	29	39	43
Municipality	5	7	9

Source: Local Self-government

Average gross income in Gadžin Han municipality is:

Average gross Income (RSD)	2003.	2004.	2005.	2006.	2007.	2008.	2009.	2010.
Republic of Serbia	16.661	20.555	25.514	31.745	38.744	45.674	44.147	47.450
Municipality	10.414	10.866	14.813	17.419	22.655	26.036	23.637	26.124
%	62,51	52,86	58,06	54,87	58,47	57,0	53,5	55,1

Source: Local Self-government

Based on these indicators it is evident that even though average gross income shows nominal growth, when compared with national average, it shows great oscillations. Big drop was marked in 2004, when average gross income dropped from 62,51% to 52,86%. This was the result of transition



process and privatization of certain state-owned companies, which lead to firing employees and consequently decrease in income.

Gradual increase of gross income, primarily refers to private sector, i.e. SMEE sector that employs the most people in Gadžin Han municipality.

According to the data available, there are 84 privately owned companies and 701 store registered on the territory of Gadžin Han municipality.

An important fact should not be disregarded here, that in the last five or six years, when significant investments processes were initiated in Serbia, especially in the field of agriculture and tourism, there were no subjects willing to invest in growth and development of agricultural, touristic and/or hotel structure in the Municipality. Certain interest still prevails only in the field of real estate, and having in mind that the land and real estate are still cheap, there have been minor activities that are unable to significantly disturb the stability of the market. Therefore, in this area, as well as in the entire country, there are no significant SMEEs, in agriculture, nor in tourism, that might start the development of this area.

The quality of land and climate on the territory of Gadžin Han municipality is suitable for development of agriculture, especially for berry fruits (strawberries, raspberries, blackberries and sour cherries), corn, tobacco, and there are special conditions for livestock breeding, as 37,2% of total agricultural land is covered with meadows and pastures. Another significant fact is that mountain Suva planina, whose bigger part belongs to the municipality of Gadžin Han, marked the biggest number of sheep in the former Yugoslavia.

Overall area of Gadžin Han Municipality is 326km², out of which 18.201 ha is agricultural land, while 10.610 ha are forests. According to the data from Statistical Office of the Republic of Serbia, the municipality has 17.577 ha of agricultural land currently in use (agricultural associations, cooperatives and family households). Family households take up 14.816 ha, that is to say 84.3% of overall agricultural land currently in use.

Institutions for support of SME and Entrepreneurship

When it comes to institutional support for SMEE sector, all present institutions are either national or regional, so no institution for support to the sector is based on the territory of Gadžin Han Municipality. Significant regional institutions that cover the territory of Gadžin Han are following institutions based in Niš:

Regional Agency for SMEE development, Ltd. Niš. This agency is a part of The Republic Network for Technical Support to the Development of SMEE sector. It provides services directly to SMEE sector in the following fields: Information dissemination, consulting, education, promotion, etc. It was founded in June 2002 within the Programme of European Reconstruction Agency "Institutional non financial support for SMEE sector development in Serbia", when 6 other similar agency were formed in Serbia. As the first institution "on site", Regional Agency has been giving non financial support in timely manner and under favourable conditions. Having in mind that the Agency is the part of the Network for Technical Support to the Development of SMEE sector on national level, many programmes powered by the government, i.e. Republic SMEE Development Agency are realized through the Agency. In 2009 the Agency has particularly been active in the support to the sector through applications for Start-up loans from the Development Fund of the Republic of Serbia, supported by the Ministry of Economy and Regional Development and the Republic SMEE Development Agency.

Business incubation centre. This incubator was founded with the support of the Government of the Kingdom of Norway through so called SINTEF programme. Incubator is located within Mechanical industry and it has 12 residents at the moment. Basic task of the incubator is to provide favorable conditions for business development and growth, which primarily means support by providing space, information, consulting, promotion, education, etc. Residents of business incubator, should be companies or entrepreneurial ideas with high growth potential based on innovations and high technological standards.



Regional chamber of commerce, Niš. It is a part of Chamber System of Serbia and it covers the territory of Nišava, Toplica and Pirot district. The Chamber is by definition, the representative and promoter of the economy of the region in question and it directly represents the interests of the region.

Ministry of economy and regional development – provides non financial and financial support to small and medium-sized enterprises and entrepreneurship through its sector for technical support to small and medium-sized enterprises and entrepreneurship. On 23 June 2003, the Republic of Serbia signed the European Charter about small enterprises and made an obligation that it will operate in accordance with the means of action in European Union, always bearing in mind the needs of small enterprises. When it comes to financial support, the Ministry of Economy and regional Development provides following options: Subsidized loans for economic subjects and citizens, start-up loans, incentive loans for development of enterprises and entrepreneurship in the underdeveloped municipalities, loans for mitigation of the consequences of global crisis and loans for using innovations.

Ministry of economy and Regional Development also supports the development of clusters and other means of business associations.

Republic Agency for SMEE Development was founded with the aim to support (assist, advise and protect) development and interests of SME sector, which should in turn, result in a balanced economic structure, increase the dynamics of economic development and revive economic flows in the country.

Development Fund of the Republic of Serbia has the aim to promote dynamic economic growth, in other words, to create an economic structure adjusted to modern and globally oriented market economy. Favourable loans that this Fund provides are a significant incentive for economy.

SIEPA – Serbian Investment and Export Promotion Agency helps Serbian companies to export their products and services and to become more competitive on foreign markets. On the other hand, promoting the investment opportunities and assisting foreign investors in starting their businesses in Serbia, the agency actively participates in creating employment opportunities, reviving national economy, transfer of technologies and exchange of new skills and knowledge.

Agriculture

For years have the agriculture and village been at the society margin in Serbia which led to inevitable migrations from villages to the cities. These tendencies had an impact on the change of social structure in the village and city population.

Socio-demographic population structure in villages of Gadžin Han municipality has extremely changed in the last few decades. Migrations are typical for highland and mountain localities, so they are almost vacant, with small number of inhabitants and elderly households. The localities in Gadžin Han municipality are faced with depopulation, socio-economic insecurity, social issues, unemployment and poverty.

The localities are recognized as significant factors in food production and agricultural and rural development although the population in villages is engaged in other activities, apart from agriculture. For these reasons it is important to undertake certain measures for agricultural development as a strategic field in development.

The current situation is reflected in the fact that the share of younger population is decreased while the share of older population is increasing. The younger and more educated citizens have migrated from villages while older and less educated citizens stayed. The worrying fact is the evident decrease in number of households that generate revenue solely out of agriculture, as they should be the pillars of agricultural and rural development. Recent changes and trends in population structure, villages, the size and the ownership structure of family households, have influenced their growth and development, but also the development of agriculture and villages. Significant development of agriculture and villages is only possible by engaging all available capacities including total active population, i.e. all members of family household.

Agricultural population, by its activity and gender, 2002 census

Agricultural population	
Total	1458
Female	726
Active agricultural population	
Total	1159
Female	556
Individual farmers	
Total	1148
Female	551
Supported agricultural population	
Total	299
Female	170
Of which	
housewives	39
Preschool children	51
Elementary school children	38
High-school children	28
Students	2
Other	141

Source: Local government, 2002 census



According to definition of Statistical office of the Republic of Serbia, household with a farm is every household that uses at least 10 Ares of arable land or owns:

- at least one cow and a calf
- one cow and a weaner
- one cow and two grown-up stocks of the same species
- 5 adult sheep
- 3 adult pigs
- total of 40 adult sheep and pigs
- 50 adult poultry
- 20 beehives

Non-farm households are those in which incomes come from household member or members that have non-farm occupations or have some occupation in agriculture outside of their household or the income comes from pension, some other property, social welfare or other type of regular income. Mixed households are those which at the same time generate revenue typical for farm and revenues typical for non-farm households. Households without income are those where source of income is unknown or the income comes from the persons that support the household (including legal entities) but are not members of the household.

The following table shows the structure of the cultivated lands of family households in Gadžin Han municipality.

Family households

Agricultural land	14816
Ploughland and gardens	
Total	8805
Of which	
Grains	3837
Industrial crops	5
Vegetable crops	1168
Animal feed	3419
Orchards	1200
Vineyards	270
Meadows	2029
Pastures	2512

Source: Statistical office of the Republic of Serbia

Family households include farm, non-farm, mixed and households without income. Farm households are those where all the income comes from individual farmers in the household. The table shows that pastures, meadows, animal feed and grains are the most dominant in the structure of agricultural land used by family households in Gadžin Han municipality.

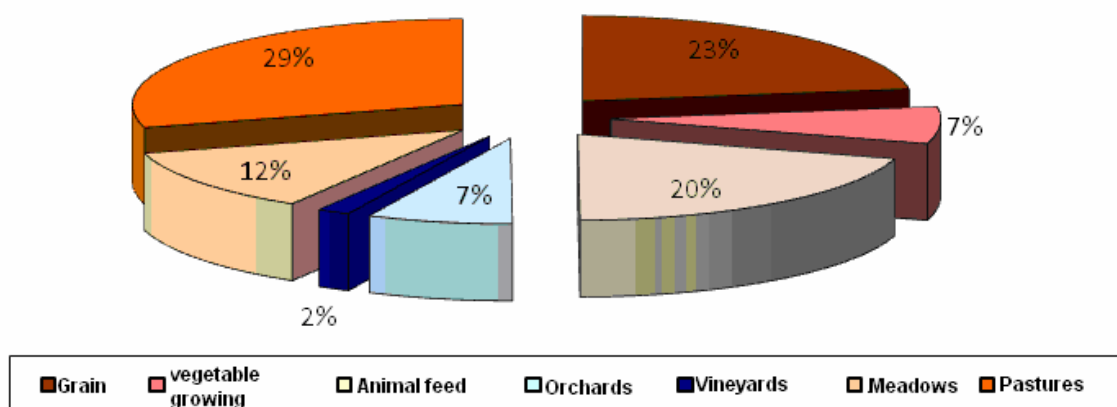
Agricultural production

Due to the quality of soil and favourable climatic conditions, the area of Gadžin Han municipality is convenient for agricultural development, especially for growing berry fruit (strawberries, raspberries, blackberries and sour cherries), corn, tobacco, and it has particularly good conditions for development of livestock breeding, since 37,2% of total agricultural area is covered with meadows and pastures. Another important fact is that mountain Suva planina, whose bigger part belongs to the municipality of Gadžin Han, marked the biggest number of sheep in the former Yugoslavia.

Total area of Gadžin Han municipality is 325km², 18.201ha of which is agricultural land and 10.610ha is covered with forests. According to Statistical Office of the Republic of Serbia's data, 17.577ha of agricultural land is currently in use (agricultural associations, cooperatives and family households) in the municipality. Family households take up 14.816 ha, that is to say 84.3% of overall agricultural land currently in use.

Structure of use of agricultural land

	Grains	Vegetable growing	Animal feed	Orchards	Vineyards	Meadows	Pastures
ha	3.837	1.168	3.419	1.200	270	2.029	4.959



As it is shown in the graphic and table, the largest part of agricultural land is used as pastures for grain cultivation and also for animal feed. Based on the structure of land use it is clear that livestock breeding is dominant agricultural activity in Gadžin Han municipality.

Field crops

Wheat and corn are cultivated solely on private farm households and according to the Statistical Office of the Republic of Serbia's data yields in 2007 were as follows:

Field crops - wheat and corn production

	The average wheat yield Kg/ha	The average corn yield Kg/ha
Serbia	3.060	3.037
Nišava District	1.883	1.210
Gadžin Han municipality	2.110	1.130

Source: Statistical office of the Republic of Serbia

Judging by wheat yields, the farmers of Gadžin Han municipality have better results than the average yield of Nišava County, but still far less than the republic average.

Vegetable growing

Beans and potatoes are the most dominant types of vegetable grown on the territory of Gadžin Han municipality. The following table shows comparative data on amounts of beans and potatoes produced on national, regional and local level.

Vegetable growing – vegetable production

	Beans (kg/ha)	Potato (kg/ha)
Serbia	947	
Nišava District	546	6.080
Gadžin Han municipality	216	3.986

Source: Statistical office of the Republic of Serbia

It is essential that vegetable production is strongly promoted, farmers educated, analysis of the soil performed in order to determine whether the change of sowing structure and transition to vegetable production should be suggested to farmers with the aim of creating the foundation for development of Small and Medium-Sized Enterprises (SME).

Fruit growing and vineyards

When it comes to fruit growing, even though there are excellent geographical and climatic conditions for this agricultural activity, yields are not satisfying, even the profit depends solely on market trends, while producers have no significant influence. In the following period it is necessary to develop greater support for SME development in processing of fruit and vineyard products.

Fruit growing and vineyards – apple, plum and grape production

	Apple Kg/tree	Plum Kg/tree	Vineyards Kg/vine
Serbia	16,3	16,2	1,1
Nišava district	11,6	8,9	0,8
Gadžin Han municipality	7,4	6,0	0,5

Source: Statistical office of the Republic of Serbia

In Gadžin Han municipality 1061,63 ha of all localities is covered with orchards. Dominant model is mixed production, where one or more producers grow several different types of fruit but small number of trees. Detailed data on apple, plum and vineyard production in 2007 are given in the following table. Total production is usually intended for meeting own needs with little surplus for the market. Fruit production in Gadžin Han municipality is characterised by extensiveness, small yields per tree or area unit, outdated assortment, low profitability and low competitiveness. The dominant model of mixed production means growing many different fruits and even more varieties. Plum is the dominant type of fruit and the dominant varieties are Stanley, Early Čačan Plum and Rodna (*fruitful*), as well as old indigenous kinds. Seedlings are relatively old with big planting distance, irregularly formed crowns and many trees are cut and cleared. Newer seedlings are Stanley, half intensive and in relatively good condition, but there are not many of them in Gadžin Han municipality.

Fruit and vineyard production in 2007

Apple	
Number of fruitful trees	67390
Yield, total, t	498
Yield, per tree, kg	7.4
Plum	
Number of fruitful trees	473400
Yield, total, t	2857
Yield, per tree, kg	6.0
Vineyards	
Number of fruitful vine, in thousands	1429
Yield, total, t	690
Yield, per vine, kg	0.5

Source: Statistical office of the Republic of Serbia



Aside from the plum, the apple is also present fruit with numerous old and new varieties. Idared, Golden Delicious and Red Delicious are dominant new sorts, and indigenous sorts Budimka, Senabija, Kolačara and Ilinjača are dominant old sorts. There is also a large number of primitive sorts. Beside these types of planting there is also large number of modern plantings with intensive planting density, but outdated Idared and Golden delicious are still the dominant sorts. As it was the case with plum, the apple also has big planting distance, high crowns, no adequate agricultural techniques which makes maintenance and harvest harder.

Third dominant type of fruit in fruit growing is sour cherry, with its main variety Oblačina. Seedlings were in good condition with standard planting density and giving regular yield which brought comparatively good profit to the producers. However, low purchasing price caused these seedlings to be neglected in the last 2-3 years.

Blackberry, strawberry and raspberry seedlings were present in most localities with newer varieties. New technology of cultivating strawberries on foil or in greenhouses was applied only on few seedlings. Due to low price, production of these types of fruit marked a drop in the recent years. Only the biggest and most persistent producers are surviving. Other fruit species (pears, cherries) are usually cultivated extensively, for own needs while surpluses in fruitful years meet the local markets.

Natural conditions for plant production

Plant production primarily depends on climatic and soil conditions. Territory of Gadžin Han provides favourable conditions for cultivating large number of field crop, vegetable and fruit sorts, as well as for starting sheep, goat, cattle and poultry production in the field of livestock breeding. The best indicator for this is current structure of plant and animal production, which includes many plant sorts and traditionally good results in livestock breeding. Climate is humid-continental and has four seasons.

The climate of Gadžin Han can be described as humid-continental with warm and dry summers and cold, snowy winters. The absolute maximum temperature are over 30°C in the period from May to September, while in July and August temperature goes over 35°C. Temperatures over 40°C were measured in 2007, 2003 and 2000. During the summer periods daily and night temperatures differ in 10°C.

Average annual precipitation is 543mm. The rainiest months are May, June and October.

Northwest wind is dominant, and is constant throughout the year and belongs to the group of moderate breeze according to the Beaufort Wind Force scale (wind speed 1,6-3,3m/s). In summer months east and north winds are frequent, and they also can be included in the group of moderate breeze. Average humidity is low in summer period. In the period of 1993-2007 the average value of relative humidity from May to September was 67%, while the average value of relative humidity for July and August was 64%

First frosts appear in second and third week of October, and last ones in second week of April. Frost-free period lasts about 5,5 months which allows successful cultivation of many plant sorts. Throughout the year there are 2100 sunshine hours. Duration of sun shining is very high during the spring and summer months in contrast with late autumn and winter months. Therefore, it can be concluded that during the vegetation period there is favourable light mode for plant cultivation, while during other parts of the year insolation can be a limiting factor for agriculture. It should be taken into account that production in closed space is highly sensitive, especially for some vegetable sorts and tobacco seedling.

Table 11 shows the overview of the agricultural land in cadastral municipalities within the municipality. The quality of the soli in Gadžin Han municipality and climatic conditions make this area suitable for agricultural development, especially for growing berry fruits (strawberries, raspberries, blackberries and sour cherries), corn, tobacco, and it provides favourable conditions for development of livestock breeding, since 37,2% of total agricultural land is covered with meadows and pastures. It is a well-known fact that mountain Suva planina, whose bigger part belongs to the municipality of Gadžin Han, marked the biggest number of sheep in the old Yugoslavia.



State of field crop and vegetable production

The agricultural land is the most comprehensive resource, as it takes up 18.373ha (56,5% of total area). Ploughland and vegetable gardens take 53% of cultivated land, orchards 7,2%, vineyards 2,6%, meadows 10% and pastures 27,2%. The individual sector has 84% of total cultivated land. According to official statistical data of Gadžin Han municipality the total of agricultural land is 18.152,54ha, total of arable land 14.008,29ha, ploughland 10901,40ha, vegetable gardens 33,87ha, orchards 1.061,63ha, vineyards 502,52ha and meadows 1.508,86ha, pastures 4.039,31ha and the rest of the land 104,94ha. This data is shown in the following table.



SUSTAINABLE DEVELOPMENT STRATEGY OF GADŽIN HAN MUNICIPALITY 2012-2022



The overview of the agricultural land in cadastral municipalities

no	Cadastral municipality	Agricultural area in ha									
		Arable land in ha						Pastures	Wetlands and reed-patch	Rest of the land	Total
		Ploughland	Vegetable gardens	Orchards	Vineyards	Meadows	Total				
		1	2	3	4	5	6(1+2+3+4+5)	7	8	9	10 (6+7+8+9)
1	Dragovlje	454.7381	0.0000	59.7563	13.4365	44.0693	572.0002	82.5916	0.00	0.2816	654.8734
2	Barbeš	231.4489	3.8188	17.3795	20.0110	38.5157	311.1739	27.4672	0.00	34.4250	373.0661
3	Dušnik	149.4362	0.1984	26.3772	4.5262	15.4712	196.0092	47.7141	0.00	0.5508	244.2741
4	Duga Poljana	157.7087	0.0000	20.0277	5.1819	17.5248	200.4431	27.6185	0.00	0.0000	228.0616
5	Dukat	379.8273	1.2460	13.1772	20.9094	37.9530	453.1128	35.5351	0.00	4.0303	492.6782
6	Gare	182.7904	0.0000	22.8391	8.7581	5.1036	219.4912	133.0287	0.00	0.0000	352.5199
7	Gadžin Han	355.8429	1.30.53	23.8750	31.5323	18.8484	431.4039	38.9025	0.00	0.5277	470.8341
8	Dragovlje	454.2770	0.0000	67.8049	8.0469	46.7558	576.8846	88.5979	0.00	0.2076	665.6901
9	Gornje Vlake	494.3539	4.6375	32.9781	30.9604	61.7088	624.6387	75.2186	0.00	7.7042	707.5615
10	Barbeš	689.7297	2.2630	25.6248	28.8875	65.0715	811.5765	67.8049	0.00	6.6385	886.0199
11	Dušnik	270.6857	3.7500	17.8611	8.2072	7.9812	308.4852	153.6785	0.00	0.5417	462.7054
12	Grkinja	592.3890	4.8393	59.4230	36.1345	55.2480	748.0337	59.8422	0.00	11.7311	819.6070
13	Jagličje	200.3228	0.0000	33.0877	20.6046	10.6003	264.6154	95.8435	0.00	0.7451	361.2040
14	Kaletinac	194.1727	0.0000	12.7751	0.6026	18.7409	226.2913	141.8662	0.00	0.3244	368.4819
15	Koprivnica	327.0965	0.0000	30.9900	33.4183	26.8797	418.3845	87.5571	0.00	0.0000	505.9416
16	Krastavče	308.3564	0.0000	31.5846	10.2841	22.0293	372.2544	82.8679	0.00	2.6732	457.7955
17	Ličje	615.0671	0.0000	117.2786	13.7945	106.8013	852.9415	97.9023	0.00	0.8058	951.6496
18	Krčimir	149.2723	0.0000	10.4625	2.1923	89.1902	251.1173	356.1376	0.00	0.0952	607.3501
19	Malo Vrto	173.6402	1.1692	16.7446	0.8853	20.5367	212.9760	21.2044	0.00	0.1155	234.2959
20	Marina Kutina	273.5678	2.4088	13.1129	17.1799	24.4549	330.7243	30.0050	0.00	8.5379	369.2672
21	Miljkovac	144.7906	0.0000	22.0274	2.5537	13.3886	182.7603	39.7896	0.00	0.2419	222.7918
22	Novo Selo	116.5711	0.0000	19.6238	29.9282	1.4972	167.6203	30.4208	0.00	0.4960	198.5371
23	Ovsinjinac	277.2765	0.0000	24.9114	1.5786	39.7164	343.4829	45.0094	0.00	0.3062	388.7985
24	Ravna Dubrava	432.3564	0.0000	82.6762	9.9420	39.9378	564.9124	19.7614	0.00	1.0245	585.6983
25	Semče	287.6171	0.0000	23.7510	4.0062	38.1454	353.5197	14.0008	0.00	0.3307	367.8512
26	Sopotnica	331.4110	4.5384	37.4710	12.4857	41.5767	427.4828	164.0027	0.00	0.6193	592.1048
27	Taskovići	291.4567	0.0000	21.6882	24.1599	22.5009	359.8057	119.4872	0.00	2.4842	481.7771
28	Toponica	472.2246	2.7516	18.9114	52.9387	8.4173	555.2436	51.2034	0.00	4.1453	610.5923
29	Veliki Krčimir	686.7742	0.0000	39.6138	16.6502	250.0178	993.0560	849.5336	0.00	8.1971	1850.7867
30	Veliki Vrto	371.4999	0.0000	30.3426	1.8783	125.8200	529.5408	383.6746	0.00	0.3642	913.5796
31	Vilandrica	199.1849	0.9472	14.3274	6.1380	26.2988	246.8963	20.0204	0.00	4.7563	271.6730
32	Šebet	154.6975	0.0000	12.3954	2.4109	127.9518	297.4556	463.7986	0.00	0.1390	761.3932
33	Čelije	169.2175	0.0000	15.9265	7.1053	16.6817	208.9310	45.1886	0.00	0.2441	254.3637
34	Čagrovac	311.6037	0.0000	44.8082	15.1892	23.4261	395.0272	42.0314	0.00	1.6569	438.7155
	Total	10901.4053	33.8735	1061.6342	502.5184	1508.8611	14008.2923	4039.3063	0.00	104.9413	18152.5399

Livestock breeding

Livestock breeding is a very important agricultural activity, which produces high quality food and other products that represent important material for many industrial activities and for cottage industry (meat, milk, eggs, fat, honey, materials for clothing and shoe industry, wool, leather, fur, feather, etc). On the other hand, a by-product of livestock breeding is a very useful natural fertilizer, manure.

As for the livestock breeding, data show that Gadžin Han municipality used to be a leader in cattle production on national level but now cannot reach even the average of the region.

	Number of cattle per 100ha of agricultural land	Number of pigs per 100ha of agricultural land	Number of sheep per 100ha of agricultural land
Serbia	22	76	32
Nišava district	16	55	18
Gadžin Han municipality	14	27	9

Source: Statistical Office of the Republic of Serbia

In the households of Gadžin Han municipality extensive production of livestock is dominant. This way of production is performed through various models. Cattle, sheep, pigs, poultry and horses are bred on farms. Livestock production records significant drop in the last 15 years, 30-50%. In sheep breeding decrease is higher than 50%. Significant drop is also recorded in cattle breeding, 60%. Data on total number of cattle, pigs, sheep and poultry for 2007 are given in the following table.

The number of cattle heads, on 01.12.2007.

Cattle	
Total	2536
Of which: Cows and calf heifers	2237
Pigs	
Total	4738
Of which: Sows and gilts	1053
Sheep	
Total	1669
Of which: Breeding sheep	1390
Poultry	
Total	41963
Number of cattle per 100ha of agricultural land	14
Number of pigs per 100ha of agricultural land	27
Number of sheep per 100ha of agricultural land	9

Source: Statistical Office of the Republic of Serbia

Most of the households perform mixed production in livestock breeding. It is mostly the combination of cows, sheep or goats, poultry and pigs. In lowland villages ruminants are usually kept in the stable, while in some villages in highland and mountain area they are kept in both stables and on pastures. There is no intensive pig breeding in the municipality. Pig breeding is mostly done for the needs of the household. According to statistical data, Gadžin Han municipality has 1508ha of meadows, small area under animal feed and 4039ha of pastures. The size of private farm households is usually 2-3ha, 50% of which is arable land broken into large number of small sized parcels (mostly 10-30a). According to Veterinarian Office data, the number of cattle heads is: cattle around 1200, pigs 3000-4000, sheep 2000 and goats 1500. There is no registered Farm Animal Breeders Association at the territory of Gadžin Han municipality.



Evaluation of current situation in livestock breeding

In general the animal production in Gadžin Han municipality is poorly developed because of low production and insufficient number of farm animals per unit of agricultural land. It mainly satisfies the needs of the population because of the low purchasing power of the population. In the last few years numerous factors have influenced animal production, some of which had quite negative effects. The balance of animal husbandry shows great discord between the present situation and actual resources, so this should be the starting point for creating a concept for adequate development strategy that should involve actions for improvement of all aspects of livestock breeding.

The advantages of Gadžin Han municipality can be seen in:

- Relatively convenient natural conditions (soil, climate)
- Indication of better agrarian policy (incentives, foreign trade) and legal actions
- some support from relevant institutions (Department for Animal Health, Breeding and Selection Services, Agricultural Expert Services, Institute for Agriculture, Faculties)
- willingness of farmers to be educated and adapt to market conditions.

The disadvantages of Gadžin Han municipality are:

- poor ownership structure (a lot of small properties)
- Devastated pastures
- no diversity in assortment
- Underdeveloped market
- Poor technical and technological equipment of households
- Unfavourable financial conditions (incentive funds, loans, etc)

Gadžin Han municipality has favourable conditions to breed farm animals. When it comes to natural conditions Gadžin Han municipality has highland and mountain areas that are very convenient for sheep, goat and cattle breeding.

Sheep breeding

According to available data, around 2000 breeding sheep are currently bred in Gadžin Han municipality. The number of sheep, which is 9 per 100ha of land, shows excellent possibilities for increase. In favour of that is the fact that, for example, in 1961 on the territory of Gadžin Han municipality 20.000 sheep were bred. On the territory of this municipality, area under pastures is 4039ha and 1508ha is under meadows. Dominant sheep race is mixed breed *pramenka* (Svrliška, improved type of Pirotka breed) and there are no registered sheep. There are ten big producers in Gadžin Han municipality (in Ličje, Mali Krčimir, Semče, Veliki Vrtop, Šebet, Gornje Dragovlje and Zaplanjska Toponica). Market for lamb meat exists but the price for it is very low. Sheep can get a lot of diseases, such as contagious foot rot, enterotoxemia in sheep and lamb dysentery, sheep mastitis, phasciolidosis and strongyloidosis and many others. There is no registered Sheep Breeders Union on the territory of Gadžin Han municipality.

Goat breeding

According to the data of the Veterinarian office experts, small number of producers deals with professional goat breeding in Gadžin Han municipality, though many households breed 1-2 goats, which are replaced by cows in old households. The number of goats per household is between 1 and 20, usually 1-2. Dominant goat breeds are Balkan goat, merino and mixed breeds. There is a certain variability and difference in manifestations, of morphological and production aspects, and especially of reproductive characteristics. The conditions for goat breeding are quite inadequate, stables are hygienically inadequate, and feeding mainly poor. The production in goat breeding in this municipality is usually not market-oriented. According to the opinion of the Veterinarian office experts, there are exceptional resources for goat breeding development in Gadžin Han municipality,



i.e. it is considered that goat breeding can reach quite fruitful production, not only in this municipality but in the entire Nišava district.

Cattle breeding

Based on statistical data, the cattle production includes around 1200 heads of dairy cows in Gadžin Han municipality. The number of heads is 7 per 100ha of land. Dominant breed is domestic coloured cattle, type Simmental. 200 heads were included in artificial insemination. The sperm cells of Simmental bulls are used for artificial insemination. Artificial insemination of cows is not reimbursed in the municipality.

The biggest dairy cow breeders (5-11 cows) on Gadžin Han territory are in Grkinja, Ličje, Ravna Dubrava and Gornje Dragovlje. Fattening of bullocks is present in several households of Gornji Dušnik and Dukat villages.

According to the report of Veterinarian office in Gadžin Han, cattle diseases that occur on the territory of the municipality are: mastitis, sterility, liver fluke and strongyloidosis. Indigestions and diarrhoea are common among calves because of inadequate feeding of cows.

The households of Gadžin Han municipality usually employ the traditional way of cattle breeding. This way of breeding is mostly developed through 2 models. The first model means mixed animal farm where the number of cows with their offspring is 1-2, rarely 3-4. The other model means mixed farm and the number of cows in cattle breeding of 5-10. This model is employed by around 5% of producers of livestock. The dominant breed is domestic coloured, Simmental type. Cows are fed mainly with hay and sometimes with concentrated meals. The average daily milk production in these models is 5-10 liters.

Poultry breeding

There are around 20.000 egg-laying hens in Gadžin Han municipality that are kept in extensive conditions, mostly for households own needs. According to the data of the Veterinarian office, there is only one significant producer of eggs for consumption on the territory of Gadžin Han and this producer owns around 4000 egg-laying hens.

Gadžin Han municipality gives larger number of broiler producers that are fattening 100-200 broilers. This production is not officially registered. The present poultry diseases are: Salmonellosis, marek's disease, contagious bronchitis and coccidiosis.

Beekeeping

In Serbia exist around 9000 beekeepers, organized in over 200 local beekeepers unions and registered in a unified Union of Beekeeping Associations in Serbia. However, it is estimated that the number of beekeepers is around 30.000. The total number of beehives is 32.000, among which modern types are dominant, especially: Langstroth Ruth (LR), Dadant Blatt (DB) and Alberti Znidarsic. There is a Beekeepers Association in Gadžin Han municipality but its activity is low. The plant cover in Gadžin Han municipality is very heterogenous and according to the estimates of the experts it allows for significant expansion of beekeeping, and there is also an interest among the farmers especially the ones who retired. Beekeeping is present in most of Gadžin Han municipality's villages, especially in Gornji Barbeš, Vilandrica, Grkinja, Čagrovac, Sopotnica, Šebet and Donji Dušnik. The number of beehives is between 20-50 per producer.

The great natural potentials that Gadžin Han municipality possesses, guarantee that bigger yields of bee product can be expected on this territory. The current honey yield is around 150 tons per year. It should be pointed out that the honey disposal is not organized and without any control in the municipality.



Infrastructure

The level of development and the state of road network on the territory of Zaplanje are unsatisfying. Out of 142km registered roads, 54km are regional roads and 88km local roads. Three regional road directions go through the municipality's territory:

- R-241 Nikola Tesla- Gadžin Han- Donji Dušnik- Ravna Dubrava (33km)
- R-242 Gadžin Han- Zaplanjska Toponica- Highway (16km)
- R-124 Barje- Stupnica (5km)

In the last few years, thanks to the Ministry of Infrastructure and the "Roads of Serbia" company, the reconstruction and rehabilitation of the road infrastructure on the regional road networks R-241, R-242, R-124 has been performed.

Regional road networks are in poor condition and require reconstruction and modernization as soon as possible. Priority should be to continue started reconstruction and modernization works on road R-241 that goes through the biggest part of the municipality and connects the biggest number of villages. Local road network is also insufficiently developed.

Improvement and development of existing road infrastructure is a very important factor in future plans for tourism development. It is necessary to renew old and build new road objects (gas stations, auto services, road signalization, parking spaces and motels).

Thanks to the Ministry of Infrastructure and the "Roads of Serbia" company, the reconstruction and rehabilitation of the road infrastructure on the regional road networks R-241, R-242, R-124 has been performed in the last few years.

Water supply in the municipality is variable, which means that one part of the municipality is connected to water supply system that takes water from the spring in Donji Dušnik, which is under the management on Public company, Directorate for Utility services and construction Gadžin Han. Each of the localities has one of its own or more water supply systems.

Water supply system of Gornji Dušnik (capacity 22 l/s) supplies following localities:

- Gadžin Han, 13 lit/s
- Marina Kutina, 3 lit/s
- Krastavče, 1.5 lit/s
- D. Poljana, 0.6 lit/s

Accordingly, it can be concluded that almost 3 to 4 litres per second are lost, which means that this water supply system, which is managed by Public Company Directorate, needs to be reconstructed. As for other water supply systems, they are under the management of Water supply community of the locality in question.

Finally the conclusion is that water supply systems in all localities have big problems and better solutions must be found, primarily because of biological and chemical analysis, on one hand and because of the capacity problems that result in unequal distribution of water.

Tourism and sport

The main characteristics of tourism in the area Gadžin Han Municipality - Zaplanje are the following:

- in 2006 the area of Zaplanje was visited by 446 tourists that made 1.857 overnight stays;
- Also, between 2000 and 3000 excursionists and hunters come to chase the wolves in February and for the summer and winter rise to Trem;
- The largest number of overnight stays was made in the in Donji Dušnik where the only hotel of the area is situated.
- The percentage of the total number of visits to Zaplanje is minimal and incomparable to the total visits to Serbia.

*The average number of overnight stay in 2009**

	Domestic	Foreign
Republic of Serbia	3,9	2,3
Nišava district	5,0	1,4
Gadžin Han Municipality	2,2	1,3

Source: Local government

* Average number of tourists' overnight stay is calculated by dividing the number of stays with the number of tourists. Since the tourists are registered in each place they visit, in case they change the place of stay, his stay is doubled. As a result, average number of tourists' overnight stays, calculated this way, is smaller than actual number.

The significant indicator in the field of tourism is the trend of domestic and foreign tourists during several consecutive years.

Year	Total of tourists	Domestic	Foreign
2003.	446	442	4
2004.	584	579	5
2005.	426	412	14
2006.	446	442	4
2007.	793	763	30
2008.	300	232	68
2009.	275	147	128

Source: Local government



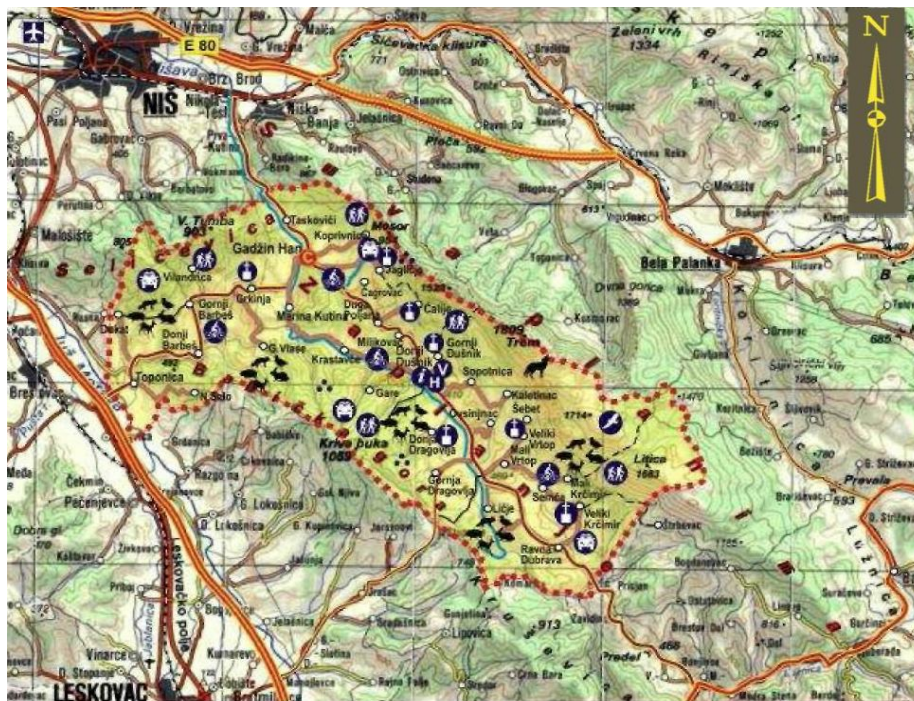
Hotel „Trem“ is located in Donji Dušnik and it has been renovated in 2004 and has 90 beds in double, triple and four-bed rooms with bathroom and central heating, restaurant and 200 seat terrace, TV lounge, study room, field for indoor sports (basketball, volleyball, football). Next to the hotel is newly built hunting lodge over Kaletinac. Hotel is not working.

Also, there are rural households ready for tourists but they are not categorized. From the shown touristic circulation it can be concluded that the low number of recorded tourist comings and staying is linked to underdeveloped and insufficient room capacities and its low use, but also to inadequate response to current

market trends. The municipality has adopted strategic act „Development strategy of tourism of

Gadžin Han municipality- Zaplanje, 2009“, that has been the foundation for all actions in this field. Strategy has shown that Zaplanje has variety of existing resources and attractions that could be commercialized for medium or long term periods.

The speed and the means of making this wide, naturally and culturally rich area a touristic attraction would at first depend on success of the realization of the project *"Zaplanje as Serbian Tourism Resort of Special Interest"*.



Razmer:

Chart: Touristic attractions on the territory of "Zaplanje" tourist destination

Improvement and development of existing road infrastructure is a very important factor in future plans for tourism development. It is necessary to renew old and build new road objects (gas stations, auto services, road signalization, parking spaces and motels).

Sport

Within the Sport Association of Gadžin Han municipality, there is a school of football and football club „Zaplanjac“ which gather around 100 members in different categories. FC "Zaplanjac" is competing in Nišava zone, and during the year there are a lot of sport and tournament manifestations.

Environment

The municipality of Gadžin Han considers the development of agriculture and the development of tourism as the basis for its economic development and for SME and entrepreneurship development. Therefore, environmental protection has a crucial role in economic development of the Municipality. Systematic measurements and regular condition monitoring are necessary for achieving desired objectives of improving growth and the development of SMEs and entrepreneurship.

Current situation shows that municipality of Gadžin Han, even though it possesses a plan for integrated management of solid waste, it still hasn't developed good system of monitoring environmental factors on its territory.

Due to the lack of clarity about implementation of solid waste management project, the fact that location for construction of regional landfill Niš is not yet defined, as well as many other details, it is predicted that one part of the area should be arranged for collecting waste in the area of the village Gornji Vlas.

Primarily, we will go to the solution of driving of the municipal waste to the landfill of Niš, because, the amount of waste, anticipated population as well as many other facts will affect the further course as to whether the planned location will really be in the function of waste treatment or will the municipality of Gadžin Han "export" all the quantities to the location outside its area.

Morphological composition of municipal waste for Gadžin Han is given in the following tables (it was created according to the data of the Public Company Directorate for Utilities and construction of Gadžin Han):

Type of waste	Share in the total amount (%)	
	Urban area	Rural area
Organic matter	23,00	30,00
Paper	14,00	8,00
Textile	4,0	10,00
Metal	1,00	3,00
Plastic	18,00	15,00
Rubber	1,00	7,00
Glass	3,00	2,00

Source: Local Government

Condition of Air

Observing the geographical position, as well as the potential pollutants, air quality of municipality of Gadžin Han is better than in the cities in the region. Namely, potential pollutants are emissions from vehicles and heating in the winter months, which is more or less the case with other places in the region. However, municipality of Gadžin Han has more favourable natural conditions because it is placed at the foot of mountains Suva planina, Selicevica and Babicka gora, and wind rose has characteristics that point at intensive airflow through Kutinska reka.

Water Conditions

There are two wells in Zaplanje, one above the village Celije and the other in the village G. Dušnik. Both are at the foot of Suva planina (limestone mountain). Through these wells large amount of water is ejected which further on flows in the form of a stream. The amount of water varies depending on the season of the year. During each control in the municipality of Gadžin Han, bacteriological quality of the water was confirmed, as the water in question is from the mountain



springs in unpolluted areas.

In most locations in the area of Zaplanje, wastewater is regulated and planned sewage network is constructed.

In some villages, on the territory of Zaplanje, in the summer months, sources of running water are reduced, which is one of the bigger problems for the population. Almost every household has one well, but that still isn't enough, as big droughts lead to drying out of a large number of wells.

Land condition

Land in the territory of the municipality of Gadžin Han is in a good condition. Potential land pollutants are farmers, due to the inadequate use of pesticides and herbicides in agricultural production. Furthermore, agricultural producers dispose all the waste that appears as the by-product of the herbicide and pesticide use, in unacceptable and wrong way, detrimental to land quality and land pollution and to environment in general.

Health care and Social security

Health care

The basic types of health care are carried out in the Health Center of the municipality of Gadžin Han and 7 ambulances with 77 employees. Health centre is, mainly, primary health care organization, but also preventive health care institution, which with its organizational structure and human resources plays a crucial role in improving life quality, especially of vulnerable citizen groups, through recognizing the symptoms of domestic violence, substance abuse prevention, mental and physical abilities assessment, birth control and birth encouragement etc. The work of the Health Center is determined by the Health Care Act, Health Insurance Act and other acts.

In a number of young people in the municipality of Gadžin Han, certain changes are present, such as changes in socio-emotional balance, psycho-physiological changes and changes in behaviour. The most prominent problem is in the occurrence of the increased alcohol consumption.

Within the changes in the socio-emotional balance, tendencies toward depression are expressed, but also toward anxiety disorders with panic attacks, adjustment disorder, obsessive-compulsive disorders, and identity problems, lack of interest and intellectual curiosity and the decline in self-confidence.

Changes in the psycho-physiological balance are less prominent and often are the result of disrupted biological rhythms (going out late at night, sleeping during the day until late afternoon hours), which consequently affect their intellectual efficiency.

Within the changes of young people's behaviour, aggression and self-aggression are not expressed, but they are more passive and isolated. The most striking is substance abuse, primarily alcohol and tobacco consumption, and then consumption of narcotics. Up until the present day, there are no exact records, in the municipality, of a number of young people consuming alcohol, tobacco or drugs.

Social security

On the territory of Gadžin Han Municipality Social Security Centre is the main actor in performing activities in the field of social security.

Activities of the Social Security Centre are focused on exercising the rights that are provided by the Social Security Act and Legal Family Protection in accordance with Family Law. Users are provided with financial aid in the form of material support for the poor, aids for care and assistance for patients, care in social security institutions, as well as single remuneration which are provided for the persons in need.

Services provided at the Center, refer to informing, counselling, intermediation and representation of users, as well as user needs assessment and further activities planning, all mentioned in cooperation with the user whenever possible. There is a need for psychosocial support services provided by the clinical therapist with regard to intensive psychosocial problems and behavioural disorders, as well as some form of social housing that would provide temporary or permanent care for vulnerable groups...

The Center deals, especially, with children and young people. It has five professionals: 2 social workers, 1 lawyer, a psychologist and a pedagogue. Number of social security beneficiaries in 2007 was 829, and in 2009 it amounted to 980 persons, which is an increase of 9, 36 %.

Structure of beneficiaries of Social Security Centre

structure of beneficiaries in 2007		structure of beneficiaries in 2008	
Minors	299	Minors	354
Adults	530	Adults	626

Source: Social Security Centre Gadžin Han.



According to the records of the Social Security Centre, the total number of disadvantaged young people and children in the municipality of Gadžin Han in the year 2008 was 354, 9 of which were children without parental care, and the number of socio-economically disadvantaged youth was 205; the number of those who come from families with disturbed family relations was 73, 7 of which were persons with disabilities, whereas the number of ones with behavioural problems was also 7; 54 persons fall under category of other.

Employment of vulnerable population categories

National Employment Agency (NEA) functions on the basis of Law on Employment, Labour Law, Employment Records and Recordkeeping Law, Law on Professional Rehabilitation and Employment of Persons with Disabilities, Statute, Rules of Procedure, etc. On the territory of Gadžin Han municipality NEA balances the offer and demand on the labour market, functions as intermediary between companies, education centres and schools, plays an active role in the development of local strategies and employment programmes.

NEA is the institution that takes care of unemployed persons in the municipality in an organized way. The unemployed persons have the right of obtaining the information about employment opportunities and requirements; employment mediations; additional education and training; active employment policy measures; remuneration during unemployment.

According to the records of the National Employment Service in December 2009, a total number of unemployed persons, in the municipality, was 962, 424 of which were women. By educational level, there were 941 of those with professional and vocational secondary schools, 8 with Post-secondary Higher Education, and 13 with University education. Out of a total number of unemployed persons that are looking for a job, 330 is seeking an employment for the first time, out of which 178 are women, while in the category of those who were employed, i.e. engaged in any business earlier in life, there is 632 persons, 246 of which are women.

When it comes to the category of young people (aged from 15 to 29), according to the NEA, on the territory of the municipality, 296 young people are unemployed, which is 30, 8 % of a total number of unemployed persons.

According to the NEA data, young people are unwilling to work outside their field of expertise. In addition, according to NEA, young people are more willing to work illegally with slightly higher incomes, without being registered by employee.

Of particular concern is the fact that a certain number of young people is passive and reluctant to seek work.



Culture

Municipal Library of Gadžin Han is the most significant cultural building in the municipality. It was founded as an independent institution by the Decision of Municipal Council of Gadžin Han, on September 14th, 1998. The Library obtained legal entity status by registration at the Commercial Court in Niš, on July 30th, 1999. It was entered in the register of libraries, which is managed by National-Central Library Stevan Sremac in Niš, on August 31, 1999. In that way, for the first time in history of librarianship of the municipality of Gadžin Han, one separate, independent institution that provides library services for all citizens of Zaplanje, was founded.

In the last few years, Gadžin Han has come out of anonymity and drew the attention of Serbian public with cultural programs which are of republic importance, such as:

- Miljkovic's poetic ceremony established in the year of 1993;
- Yugoslav amateur art colony "17 mills" established in the year of 1977;
- Women's Art Colony
- Serbian Ceremonial Orchestras Assembly.

These events are held each year in the organization of House of Culture Branko Miljkovic, supported by Municipal Council of Gadžin Han, and under the sponsorship of the Ministry of Culture of the Republic of Serbia.

Each year, around 300 members join the library. Out of this number, the most members are children aged from 5 to 18 (around 70%).

In the year of 2002, Library, together with the Red Cross, realized the project "Mobile Library". In this way, with the vehicle of the Red Cross, and the books and the worker of the Library, the books were available to the readers of the Municipality's remote villages. That year, the Library had twice as many members than usual (nearly 600).



Civil sector (NGO) and information dissemination

In terms of development of civil society organizations in the municipality, lack of organizations is evident, especially of those that deal with the development of youth work and youth policy. The situation is similar with the majority of similarly sized municipalities in Serbia, where due to continuous outflow of young people and depopulation, there is a lack of human resources that would, in a lasting manner, dedicate to working with young people. Apart from traditional citizens' associations such as hunting and fishing associations, and cultural artistic associations, there are no other associations. One of the main activities of the municipality should be supporting the civil sector development, either through the organization of training for young people and study visits to other municipalities in Serbia in order to gather knowledge and experience and make contacts, or through possibly organizing mini-grant schemes that would initially be available even to the unregistered and informal groups of citizens, and that would address a current problem in the municipality and from which the civil sector could be developed.

The following associations are currently active:

- NAZ Association (National artists Zaplanje)
- Association for cultivation of Medicinal Plants in plantations "Suva planina-Produkt", Donji Dušnik
- Association of producers, processors of spicy, aromatic and medicinal plants "Zasad", Gadžin Han.

Media that operates in the territory of the municipality is the local Radio and Television station "Oxygen" in Gadžin Han, with the transmitter on the mountain Selicevica.



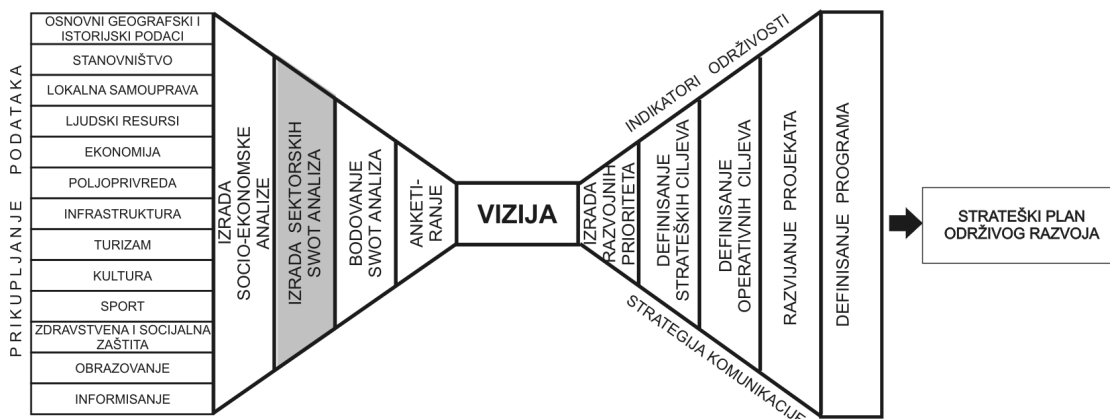
SWOT ANALYSIS OF GADŽIN HAN MUNICIPALITY



**SUSTAINABLE DEVELOPMENT STRATEGY
OF GADŽIN HAN MUNICIPALITY 2012-2022**



Sector SWOT analyses



Sector SWOT analyses

SWOT analysis (internal and external self-evaluation of local community) is a methodological tool used with the aim to establish a competitive position of a local community. It represented the basic input for defining strategic goals, especially the part of the analysis that deals with strengths and weaknesses. In fact, strengths and weaknesses recorded in the analysis will serve as a ground for effective development planning, being that the defined strategic goals will point to the need for and methods of eliminating weaknesses and promoting strengths.

Practicality and broad applicability of this analysis is based on 2 x 2 matrix that constitutes of four basic elements of SWOT analysis: **strengths, weaknesses, opportunities and threats**. Strengths and weaknesses are internal elements that local community can influence on, while opportunities and threats represent external elements, i.e. factors that are beyond community's influence.

Strengths are factors that represent the competitive advantage of one area. On the other hand, weaknesses are factors that represent obstacles for the development of local community. Opportunities are external chances that should be used, while the threats represent negative external factors that are to be neutralised.

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

SWOT matrix

Four key areas of socio-economic development have been identified in the municipality of Gadžin Han, that for which SWOT analyses have been performed and as such they represent subjectivization of Socio-economic Analysis for the Municipality of Gadžin Han.

- Economy, entrepreneurship and tourism
- Infrastructure and environment
- Quality of life (education, culture, sport; health care and social security)
- Agriculture and rural development

Each of these fields has been subject to a special analysis of Municipal Forum and the analysis with precision established strengths, weaknesses, opportunities and threats for the purpose of subjectivization of all the data previously given in Socio-economic Analysis for the Municipality of Gadžin Han.



SWOT analysis: Economy, entrepreneurship and tourism

Strengths	Weaknesses
<ul style="list-style-type: none">– Good geo-strategic position – the proximity of Corridor 10– There is an active touristic organization– There are substantial natural capacities for development of rural, hunting, student and recreational tourism– There is a <i>Strategy for Development of Small and Medium-Sized Enterprises and Entrepreneurship for Gadžin Han 2009-2013</i>– There is a <i>Strategy for Tourism Development for the Municipality of Gadžin Han from 2009</i>– There are conditions for development organic production as a foundation for development of processing industry– Municipality is fiscally competitive in the surroundings– Low labour costs– Proximity of the border – Macedonia, Bulgaria– There are large areas of free building land for construction of various buildings for the needs of SMEE sector– Ongoing project: <i>Zaplanje as Serbian Tourism Resort of Special Interest</i>– Possibility of development of weekend tourism (Niš – Gadžin Han)– A good level of development of touristic programme on mountain Suva planina (hiking, jeep safari, wolf chase, etc.)– Proximity of Niš Airport	<ul style="list-style-type: none">– Poor quality of local and uncategorized roads– Demographics of local population ageing – unfavourable migrations (from village to cities, bigger centres)– Unfavourable educational structure of working-age population (0,6% of university educated people)– Lack of entrepreneurial culture– Lack of accommodation capacities and expert knowledge in the field of tourism– Lack of appropriate institutions and organizations for education and training of entrepreneurs– Lack of appropriate institutions and organizations for education and training in the field of tourism– Underdevelopment of processing capacities– Lack of quality and up-to-date database about SMEs on the territory of the municipality– Lack of adequate dissemination for the economy subjects on local level– Underdeveloped transport infrastructure– Existing road objects are outdated and there is the need for building new ones (gas stations, car services, road signalization, parking spaces, motels) for the purposes of tourism development– Great number of registered enterprises that operate on the territory of the City of Niš– Lack of investments in economy and tourism– Lack of bank branches– Lack of media for the purposes of marketing and promotion of tourism in the municipality
Opportunities	Threats
<ul style="list-style-type: none">– National and international programmes for support of SME and tourism development– Proximity of the City of Niš– There is a Regional Development Agency in Niš– Industry development, especially processing industry in Niš and Leskovac– There are regional institutions and regional programmes (Regional Chamber of Commerce Niš, etc.)– Accessibility of international programs on the territory of Gadžin Han and the City of Niš (LEDIB, HELP, EXCHANGE 2, RSEDP 2, MISP)	<ul style="list-style-type: none">– There are bigger, developed and more competitive municipalities and cities in the Nišava region– Lack of accordance of educational system with the market demands and contemporary technological trends– Lack of consistent and permanent national policies and programmes in certain areas– Serbian economy has been in a structural crisis for a long time– Global financial crisis and the effects of recession that have a negative effect on the budgets of local self-governments and local economy in general



SWOT analysis: Infrastructure and environment

Strengths	Weaknesses
<ul style="list-style-type: none">– Proximity of Corridor 10 - reconstructed regional roads;– There is a public company Directorate for construction and utility services– Three business zones are to be built as foreseen by General urban plan– There are large areas of free, unconstructed land, that offer a competitive price– Ecologically clean environment– Favourable climate, ecological and pedological conditions for healthy food production – organic production– Agreement on building a regional landfill is signed– <i>There is a Local Waste Management for the Municipality of Gadžin Han 2010-2020</i>	<ul style="list-style-type: none">– Poor quality of local and uncategorized roads– Low quality of water management network– Lack of sewage network in rural areas;– Low quality of water management network– There are illegal landfills and there is no registered landfill on the territory of the municipality– Bad habits of the citizens and lack of awareness of the significance of environment protection and the need for applying ecological standards for its preservation– Lack of funds in municipal budget for investing in capital investment projects on the territory of the municipality– Lack of adequate expert staff in the field of environment protection
Opportunities	Threats
<ul style="list-style-type: none">– Proximity of the two cities from two different regions (Niš and Leskovac)– There is a Law on Public Property and Restitution– EU Funds– Presence of international donors– NIP projects and programmes	<ul style="list-style-type: none">– Influence of global financial crisis on local and state budget as well as the possibility of new wave of recession– Unstable political situation– Reduced transfers from national level to local budget– The state is neglecting the municipalities and the region



SWOT analysis: Life quality (education, culture, sport; health care and social security)

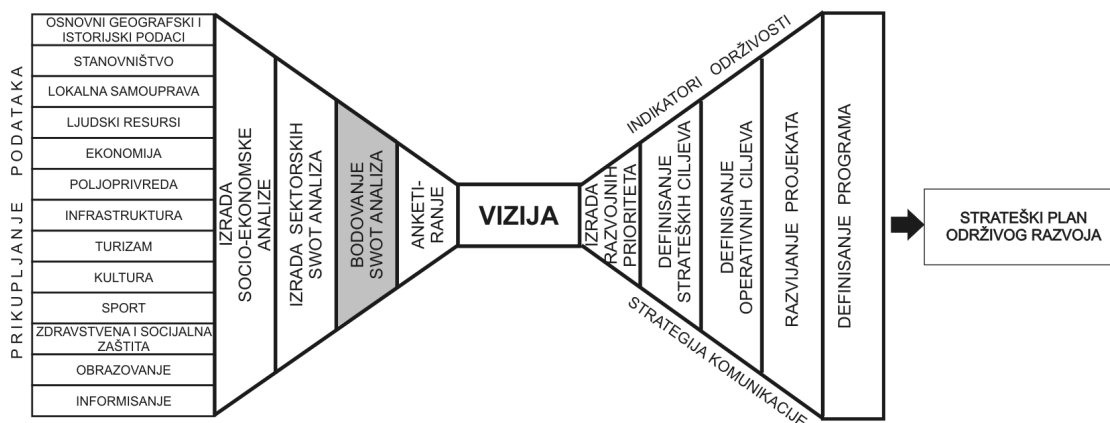
Strengths	Weaknesses
<ul style="list-style-type: none">– There is a National library in the municipality of Gadžin Han;– Proximity of the City of Niš– There is a cultural programme of great importance on the national level: <i>Miljkovic's Festivity of Poetry, Yugoslavian art colony for amateur painters "17 mills", Women's art colony, Serbian gathering of festivity orchestras</i>– Association of folk artists Zaplanja, NUZ is active– New elementary school for students from 1st to 8th grade was built in Zaplanjska Toponica– Existence of Health Care Centre and Social Security Centre– Developed <i>Local Action Plan for the Improving the Position of the Refugees and Displaced Persons in the municipality of Gadžin Han 2010-2014</i>– Developed <i>Local Action Plan for Educational Inclusion of Roma people in Gadžin Han, February-May 2011</i>– There is a <i>Local Youth Action Plan 2010-2014</i>.	<ul style="list-style-type: none">– The villages are far away from educational, cultural institutions and institutions of health care and social security– Insufficient funds from the budget for organizing a rich cultural life– Existing capacities are not used for development of culture, sports and education– Lack of high-school and university institutions on the territory of the municipality– Lack of sports facilities and courts– Intense depopulation processes and ageing demographic of the municipality– Closing school institutions in small rural areas– Existing educational institutions are poorly equipped– There is no special school for developmentally challenged children on the territory of the municipality, nor is there day care centre for children with disabilities– Lack of entertainment programmes– Intense migrations: village-city, city - bigger economical, cultural and educational centres– Lack of institutions for non-formal education– Lack of NGO sector for the needs of education and application of lifelong learning principles
Opportunities	Threats
<ul style="list-style-type: none">– Using the funds from donor programmes in the field of culture, education and sport– National programmes in the field of health care and social security– Receiving EU candidate status	<ul style="list-style-type: none">– Reduced transfers of budget from national level to the municipalities– The state is neglecting the municipalities and the region– Inadequate legal regulations – number of medical doctors is prescribed proportionally per 1000 citizens– Global financial crisis– Neighbouring cities and municipalities are more competitive regarding entertainment, sports and cultural and educational content



SWOT analysis: Agriculture and rural development

Strengths	Weaknesses
<ul style="list-style-type: none">– Population's orientation on agricultural activity– Clean environment and significant possibilities for healthy food production– Favourable geographic conditions for livestock breeding (37,2% of total agricultural land is covered by meadows and pastures) and fruit growing– Favourable geographic position of the municipality– Possibility of placing healthy food on EU market– Favourable conditions for development of ethno tourism– Favourable conditions for growing berry fruits (strawberries, raspberries, blackberries and sour cherries)– Willingness of the farmers to continue education and adjust to market demands– Municipality of Gadžin Han has hills and mountainous areas which are very suitable for development of sheep, goat and cattle breeding– Favourable natural conditions for production of medicinal plants and herbs – significant and developed production of medicinal plants on the territory of the municipality– There are two active associations for growing herbs: Association for growing medicinal plants in plantations :Suva planina – Produkt", Donji Dusnik, and the Association producers, processors of spices, aromatic herbs and medicinal plants– There is a <i>Strategy for Agricultural Development for the Municipality of Gadžin Han 2010-2015</i>	<ul style="list-style-type: none">– Unfavourable ageing structure of the population – great number of elderly households– Lack of modern machinery and adequate application of agro-technical measures– Lack of expert staff;– Low level of education of agricultural producers - lack of educational programs for farmers;– Lack of market for agricultural products - significant distance from the cities and bigger markets (transport expenses are large);– Lack of finance for the utilization of available natural resources;– Lack of finance for insurance of agricultural products from natural disasters– Agricultural assets are neglected– Poor communication between local self-government and agricultural producers - local self-government does not motivate farmers to work together– Local agricultural producers do not attend frequently fairs and workshops– Migration of youth from the territory of the municipality to bigger centres of economy– Reduction of the number of households that generate income solely from agriculture– Poorly organized ownership structure (fragmented estates)– Devastated pastures– Poor quality breed composition– Unresolved ownership relations over agricultural land
Opportunities	Threats
<ul style="list-style-type: none">– National programmes for education of farmers organized by the relevant ministry– Exchange of experiences with developed rural areas of bigger municipalities and cities– Using available donor funds for the purpose of providing quality livestock heads and facilities for livestock breeding– State stimulation of the development of cooperatives– State stimulation of the development of agricultural family households– Future funds from EU funds such as IPA 5 funds (IPARD – IPA Rural Development)– Support of the state for the development of diversified areas of agricultural production (traditional crafts and rural tourism)	<ul style="list-style-type: none">– Legal limitations – low prices of agricultural products– Unfavourable legal regulations regarding subsidies– Unfavourable tax policy– High prices for production materials and equipment– Unfavourable credit policy for development of agriculture

Scoring of SWOT analysis



Бодовање SWOT анализа

After SWOT analyses have been defined, it was followed by classification and prioritization of weaknesses and strengths in all fields of development. These activities are very significant for defining the Vision of the Municipality of Gadžin Han later on and which resulted from the need to eliminate weaknesses and promote strengths of the municipality in the future.

Criteria used in establishing top-priority weaknesses were:

- Does the weakness/strength show ascending, descending or temporary trend line?
- When did it appear and how long does its impact last?
- Is the impact strong or not?
- Is it possible to control the impact, or increase it and create multiplying effect?

After using these criteria and after each participant of the Municipal Forum has scored weaknesses and strengths, the top priorities and the most significant weaknesses and strengths were established and served in defining the Vision Statement of the Municipality.

The results of this part of the work of Municipal Forum are shown in the table of competitive strengths and top-priority weaknesses:



COMPETITIVE STRENGTHS

Economy, entrepreneurship and tourism		Infrastructure and environment		Agriculture and rural development		Life quality	
1.	There are substantial natural capacities for development of rural, hunting, student and recreational tourism	1.	Ecologically clean environment	1.	Clean environment and significant possibilities for healthy food production	1.	Existence of Health Care Centre and Social Security Centre
2.	Possibility for development of weekend tourism	2.	Favourable climate, ecological and pedological conditions for healthy food production – organic production	2.	Favourable conditions for growing berry fruits (strawberries, raspberries, blackberries and sour cherries)	2.	There is a cultural programme of great importance on the national level: <i>Miljkovic's Festivity of Poetry</i> , <i>Yugoslavian art colony for amateur painters "17 mills"</i> , <i>Women's art colony</i> , <i>Serbian gathering of festivity orchestras</i>
3.	Good geo-strategic position – the proximity of Corridor 10	3.	There is a public company Directorate for construction and utility services	3.	There is a <i>Strategy for Agricultural Development for the Municipality of Gadžin Han 2010-2015</i>	3.	There is a National library in the municipality of Gadžin Han; There is <i>Local Youth Action Plan 2010-2014</i> .
4.	There is a <i>Strategy for Development of Small and Medium-Sized Enterprises and Entrepreneurship for Gadžin Han 2009-2013</i>	4.	There is a <i>Local Waste Management for the Municipality of Gadžin Han 2010-2020</i>	4.	Favourable geographic conditions for livestock breeding (37,2% of total agricultural land is covered by meadows and pastures) and fruit growing	4.	Proximity of the City of Niš
5.	A good level of development of touristic programme on mountain Suva planina (hiking, jeep safari, wolf chase, etc.)	5.	Proximity of Corridor 10 - reconstructed regional roads; There are large areas of free, unconstructed land, that offers a competitive price	5.	Population's orientation on agricultural activity Favourable natural conditions for production of medicinal plants and herbs – significant and developed production of medicinal plants on the territory of the municipality	5.	New elementary school for students from 1st to 8th grade was built in Zaplanjska Toponica



PRIORITY WEAKNESSES

Economy, entrepreneurship and tourism		Infrastructure and environment		Agriculture and rural development		Life quality	
1.	Demographics of local population ageing – unfavourable migrations (from village to cities, bigger centres)	1.	Lack of funds in municipal budget for investing in capital investment projects on the territory of the municipality	1.	Unfavourable ageing structure of the population – great number of elderly households	1.	Insufficient funds from the budget for organizing a rich cultural life
2.	Lack of entrepreneurial culture	2.	Low quality of water management network	2.	Low level of education of agricultural producers - lack of educational programs for farmers; Lack of finance for the utilization of available natural resources; Migration of youth from the territory of the municipality to bigger centres of economy	2.	Intense depopulation processes and ageing demographic of the municipality Intense migrations: village-city, city - bigger economical, cultural and educational centres
3.	Underdevelopment of processing capacities	3.	There are illegal landfills and there is no registered landfill on the territory of the municipality	3.	Lack of expert staff; Lack of market for agricultural products - significant distance from the cities and bigger markets (transport expenses are large); Poorly organized ownership structure (fragmented estates)	3.	Existing capacities are not used for development of culture, sports and education
4.	Lack of investments in economy and tourism Lack of bank branches	4.	Lack of sewage network in rural areas; Bad habits of the citizens and lack of awareness of the significance of environment protection and the need for applying ecological standards for its preservation	4.	Poor communication between local self-government and agricultural producers - local self-government does not motivate farmers to work together	4.	The villages are far away from educational, cultural institutions and institutions of health care and social security
5.	Unfavourable educational structure of working-age population (0,6% of university educated people)	5.	Poor quality of local and uncategorized roads	5.	Agricultural assets are neglected	5.	Lack of high-school and university institutions on the territory of the municipality

VISION OF GADŽIN HAN MUNICIPALITY



**SUSTAINABLE DEVELOPMENT STRATEGY
OF GADŽIN HAN MUNICIPALITY 2012-2022**



The diagram illustrates the methodology for developing a strategic plan for sustainable development, structured as a funnel-shaped process flow.

Left Side (Data Collection): A vertical column labeled "PRIKUPLJANJE PODATAKA" (Data Collection) lists the following categories:

- OSNOVNI GEOGRAFSKI I ISTORIJSKI PODACI
- STANOVNIŠTVO
- LOKALNA SAMOUPRAVA
- LJUDSKI RESURSI
- EKONOMIJA
- POLJOPRIVREDA
- INFRASTRUKTURA
- TURIZAM
- KULTURA
- SPORT
- ZDRAVSTVENA I SOCIJALNA ZAŠTITA
- OBRAZOVANJE
- INFORMISANJE

Funnel Process: The data collection feeds into a funnel-shaped process consisting of several stages:

- IZRADA SOCIO-EKONOMSKE ANALIZE** (Development of Socio-Economic Analysis)
- IZRADA SEKTORSKIH SWOT ANALIZA** (Development of Sectoral SWOT Analyses)
- BODOVANJE SWOT ANALIZA** (Evaluation of SWOT Analyses)
- ANKETIRANJE** (Surveying)

Central Core: The funnel process leads to the central core, labeled **VIZIJA** (Vision).

Right Side (Strategy Development): From the vision, the process continues through several stages:

- IZRADA RAZVOJNIH PRIORITETA** (Development of Developmental Priorities)
- DEFINISANJE STRATEŠKIH CILJEVA** (Defining Strategic Objectives)
- DEFINISANJE OPERATIVNIH CILJEVA** (Defining Operational Objectives)
- RAZVIJANJE PROJEKATA** (Developing Projects)
- DEFINISANJE PROGRAMA** (Defining Programs)

Final Output: The process concludes with the **STRATEŠKI PLAN ODRŽIVOG RAZVOJA** (Strategic Plan for Sustainable Development).

Integration of previously mentioned elements is necessary if we bear in mind the significance of the vision itself, being that it is a result of the activities of the Municipal Forum in the first analytical part of the process and it represents the foundation for the future activities in the process, that is to say for the implementation of next stages that represent strategic part of the process (defining priorities, objectives, projects and programmes).



Vision of Gadžin Han municipality:

Municipality of Gadžin Han is a municipality characterized by its healthy environment, rich touristic and agricultural offer and traditional hospitality.

Apart from developed intensive agricultural production, developed livestock breeding, rural tourism and craftsmanship the municipality of Gadžin Han stands out with its capacities of natural and human resources used in modern processing. Alongside rural tourism, Municipality of Gadžin Han also offers a wide array of activities in hunting, recreational and mountain tourism thanks to natural wealth of mountain Stara planina.

The territory of Zaplanje is famous for its developed organic production, healthy, traditional food and quality nuts and berry fruits, forest fruits and medicinal herbs. It has a long tradition in textile, electrical and mechanical production as well as prosperous SMEE sector with highly developed entrepreneurial spirit and culture.

With its regulated utility services and urban plan the Municipality of Gadžin Han is a territory with preserved environment and authentic fauna and flora, and without illegal landfills. The population has a high level of awareness about the need to preserve the environment and the municipality makes the most use of renewable sources of energy and takes active participation in waste recycling.

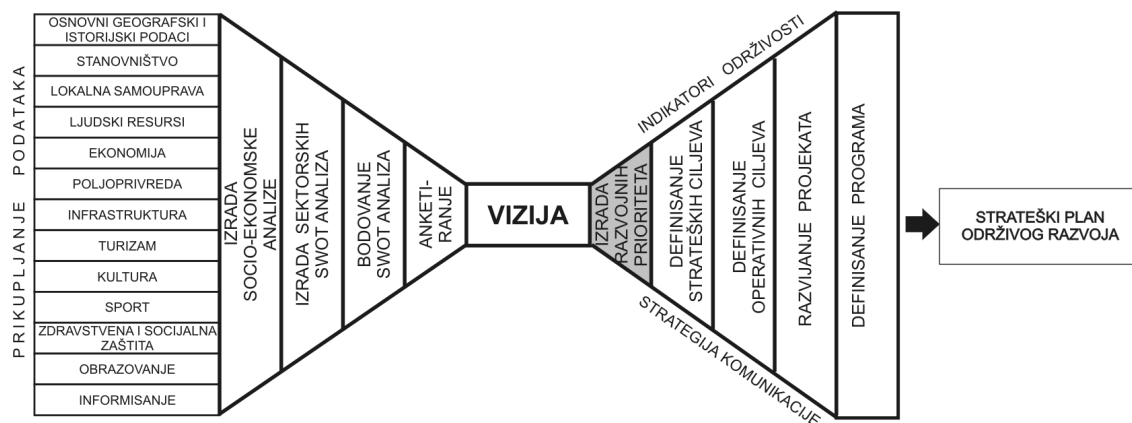
The municipality is a safe place to live a peaceful life without criminal. Another important characteristic are modern health and social welfare systems that satisfy the needs of all the citizens in the municipality.

Education system is also modern and adjusted to the needs of local economy with highly qualified young professionals who are willing to stay in the municipality. The municipality has preserved cultural assets and heritage and it can also offer a rich cultural, entertainment and sports scene with traditional, nationally distinctive events.

DEVELOPMENT PRIORITIES OF GADŽIN HAN MUNICIPALITY



Development priorities



Development priorities of the municipality

Development priorities are clearer and more specific than vision. First of all, they are based on competitive strengths and priority weaknesses, which are actually the result of SWOT analysis and the foundation of the vision. Therefore, development priorities represent specific fields on which the strategy focuses in order to reach the vision.

In the process of selecting development priorities, special attention is placed on following matters:

- Does the priority refer to the characteristics of socio-economic and political environment?
- Is the priority a logical product of the vision?
- What kind of impact does this specific priority have in solving the problems?
- Time frame of the established priorities

The process of establishing development priorities that will bring about a positive influence on the future of the community, uses an approach that includes review of the situation described in SWOT analysis and the vision of desired future. The starting point are internal factors of SWOT analysis (competitive strengths and priority weaknesses), which the municipality can influence on, in order to define the development direction that will directly influence the mitigation or elimination of weaknesses, on one hand, and promotion, that is to say, development of strengths, on the other.

For a local self-government all aspects of development are important. However, one of the elements of effective strategic planning is focus. Development priorities are, first of all, the result of conclusions that stem from indicators analysis within the Socio-economic Analysis for the Municipality of Gadžin Han.

With respect to all of the above mentioned elements, development priorities for the Municipality of Gadžin Han have been defined.

Priority I:

Development of rural areas, local economy and tourism

Priority II:

Improvement of health and social security system

Priority III:

Development of education, culture and sport

Priority IV:

Improvement of infrastructure and environment protection



In the period between identifying development priorities and following stages of creating the local sustainable development strategy, a thematic working group (TWG) has been formed for each of the fields priorities refer to.

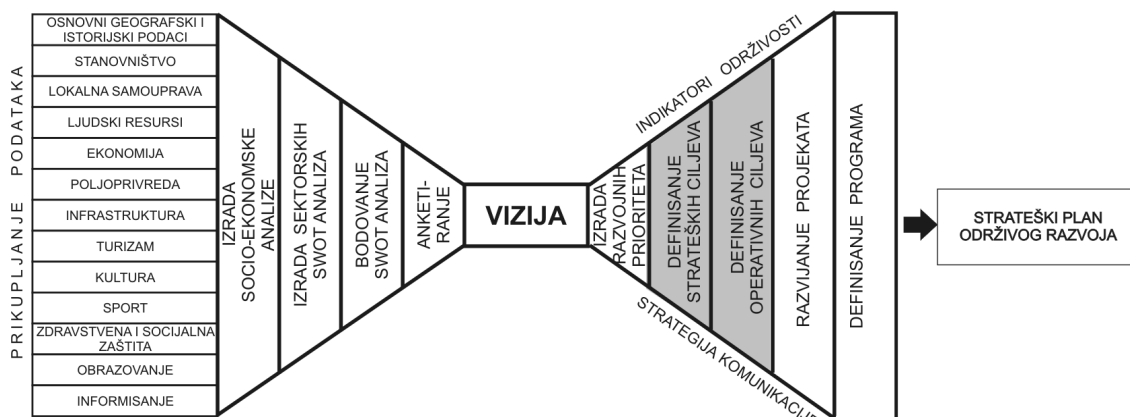
- Rural areas, economy, tourism
- Health care and social security
- Education, culture, sport
- Infrastructure and environment

Each of the working groups had the task to define strategic and operational goals and creating a list of projects (using OLEDNETWORK tool for generating project ideas - www.olednetwork.rs/gadzinhan-projekti) and programmes, for development priorities Thematic working groups were formed from the members of Municipal forum which was decomposed according to the fields of interest and competencies and they are related to each of the defined development priorities. This way, cores were formed and later on they were expanded by adding representatives of stakeholders of the municipality.

***STRATEGIC AND OPERATIONAL
GOALS OF GADŽIN HAN
MUNICIPALITY***



Strategic and operational goals



Strategic and operational goals of the municipality

As previously stated, at this stage of the strategic planning process, formed thematic working groups have developed strategic and operational goals within the development priorities.

Strategic goals were defined by decomposing the defined priority and there is a clear connection between them and priority's key elements. They served as a basis for later definition of operational goals according to SMART principle.

Strategic goals represent the bridge between widely defined priorities and specifically defined operational goals. They represent the generic title for related groups of operational goals, and they are especially important because of the basic guidelines they provide in the process of grouping related projects into programmes.

According to the established methodology, 2-5 strategic goals are defined for each of the four development priorities:

- Priority I – five strategic goals;
- Priority II – two strategic goals
- Priority III – three strategic goals
- Priority IV – four strategic goals

Strategic goals, related to SWOT analysis results, in combination with key segments of development priority, gave the answer to the question WHAT to do in order to achieve the defined development priority.

The next step in the work of thematic working groups, formed around each of the established priorities, was defining operational goals for each of the defined strategic goals.

Criteria used for defining operational goals:

- They must be much more accurate and elaborate
- They must be measurable and created so that they can be easily monitored
- Based on the results of the SWOT analysis
- They must be complementary and mustn't be in collision with other goals
- They must strive to overcome weaknesses and use opportunities
- One strategic goal can have more operational goals

Second group of criteria which must be met by defined operational goals, partially coincide with the above-mentioned ones, and they refer to SMART approach:

S (specific) – Does the goal accurately define what needs to be achieved?

M (measurable) – Is the goal defined so that it can be measured?

A (achievable) – Does it fit into the vision?



R (realistic) – Is it realistic with regard to resources?

T (timely) – Does it have a time frame?

Operational goal answers the question *HOW* are we going to achieve our strategic goal. Main idea in defining operational goals were critical issues defined in SWOT and socio-economic analysis.

Members of thematic working groups have defined fourteen strategic goals and thirty six operational goals within them, which can clearly be seen in the following table.



**SUSTAINABLE DEVELOPMENT STRATEGY
OF GADŽIN HAN MUNICIPALITY 2012-2022**



Priority	Strategic and operational goals within the priority	
	Strategic goal	Operational goal
1. Development of rural areas, local economy and tourism	1.1. To promote primary agricultural production by increasing production capacities with regards to environment protection and sustainable use of natural resources and by educating the population from rural areas about different areas of rural economy.	1.1.1. Promotion of the sector of medical plants and herbs by increasing production area to at least 25 ha by 2019 with preparation of modern technology in production.
		1.1.2. Increasing primary capacities in the sector of livestock breeding by increasing the livestock volume by at least 90% by 2018 in comparison to the current state.
		1.1.3. Increasing the areas covered with agricultural crops in the field of fruit, wine and vegetable growing by 80% until 2017.
		1.1.4. Increasing the capacities in beekeeping sector by 50% by 2018.
		1.1.5. To educate at least 20% of rural areas in different fields of rural economy by 2018.
	1.2. To improve processing and storage capacities for agricultural products through modernization of existing and building new capacities	1.2.1. Modernize existing and build at least 3 new capacities in the field of processing and packaging of herbs and medicinal plants by 2019.
		1.2.2. Increase processing capacities in the field of fruit, wine and vegetable growing and livestock breeding by 80% until 2017.
		1.2.3. Increase current storage capacities for agricultural products by 70% until 2017.
	1.3. To promote the process of association of farmers by strengthening the capacities of existing and forming new associations of agricultural producers	1.3.1. To form and technically equip at least 3 agricultural associations by 2018.
		1.3.2. To improve human resources and technical capacities of existing agricultural associations through the education of members and providing equipment for at least 3 offices by 2017.
	1.4. To support entrepreneurship development through development of traditional crafts, SMEs and other activities that can contribute to creation of economically sustainable communities offering attractive living conditions	1.4.1. To improve the sector of traditional crafts by 100% until 2018 in comparison with the current situation through education and increase of the number of craft workshops
		1.4.2. To improve the level of production and services through the increase of SMEs by 50% until 2017, in comparison to the current situation.
		1.4.3. To improve the activity of existing and form at least 3 new associations in the field of SME by 2017.
	1.5. To promote the development of tourism through building institutional and infrastructural capacities, promotion of tourism potentials and education of rural population about providing services in rural tourism	1.5.1. Improve the offer of rural tourism by increasing accommodation capacities to at least 15 categorized households by 2017
		1.5.2. To build at least 15 km of bicycle, pedestrian and hiking paths to the purpose of improving the offer in the field of tourism.
		1.5.3. To improve the infrastructure and accompanying facilities in the field of hunting, mountain and fishing tourism by at least 70% until 2018.
		1.5.4. To improve the promotion of touristic capacities through education of 3 tour guides, improving the existing event "The Morsel of Zaplanje" and initiating at least 2 new events in the field of rural tourism by 2018.



**SUSTAINABLE DEVELOPMENT STRATEGY
OF GADŽIN HAN MUNICIPALITY 2012-2022**



Priority	Strategic and operational goals within the priority	
	Strategic goal	Operational goal
2. Improvement of health and social welfare system	2.1.To improve the health care system by creating new institutions and enhancing technical and spatial capacities of existing health institutions with continuous education of medical staff.	2.1.1.To build at least two new infirmaries and one hospital and reconstruct all existing health care facilities for the purpose of increasing spatial capacities by at least 50%
		2.1.2.To lift technical equipment to a higher level in all health care institutions by at least 100% by 2022.
		2.1.3.Increase the number of employees in health care sector by 150% and 80% of existing staff should complete programmes of vocational training by 2022.
	2.2.To improve the social welfare system by creating conditions for complete and permanent non-institutional and institutional protection and improving the quality of life in the municipality, including continuous education of the employees in the field of social welfare.	2.2.1.By 2022 institutional and non-institutional social protection system should be improved in such a way that 100% of beneficiaries is satisfied with the quality of service provided. 2.2.2.To increase the number of employees in social welfare sector by 200% by 2022 in accordance with the norms and standards for the purpose of meeting the needs of beneficiaries in institutional and non-institutional social protection and organize continual vocational trainings for all existing and potential service providers

Priority	Strategic and operational goals within the priority	
	Strategic goal	Operational goal
3. Development of education, culture and sport	3.1.To build and reconstruct educational facilities and provide technical equipment, as well as modern teaching devices and to modernize system of formal and non-formal education for persons of all ages.	3.1.1.To increase the level of investments in upgrading, reconstruction and technical equipment for school buildings and cabinets in the municipality by the maximum of 80% by 2022.
		3.1.2.To increase the level of education of population by the maximum of 50% through the system of formal and non-formal education, regardless of the age, by 2020, through linking school institutions and NGO sector
	3.2.To preserve cultural and historical heritage by building, restoration and investing in technical equipment of the facilities of special cultural and historical importance and improve quality of life in the municipality by enriching cultural content.	3.2.1.Increase the level of investments in building and restoration of facilities of cultural and historical importance by 80% by 2020.
		3.2.2.Improve the system of organization and realization of cultural events through increase of financial investments and improvement of quality of cultural content by 60% by 2020.
	3.3.Promote healthy lifestyle of the population in the municipality and create favourable conditions for mass sporting and recreational events, through building and reconstruction of sports facilities and courts for big and small sporting events.	3.3.1.To increase the investments in building sports facilities and equipping them with adequate sports gear and props by maximum of 100% in comparison to current situation by 2022.
		3.3.2.To improve the quality of life concerning sports by forming sports associations and sections, through investments increased by 80%, together with organizing sporting events and educating the staff and media promotion of amateur and recreational sports by 2022.



Priority	Strategic and operational goals within the priority	
	Strategic goal	Operational goal
4. Improvement of infrastructure and environment protection	4.1.To improve existing and build new public distribution systems on the entire territory of the municipality	4.1.1.To increase the territory covered with plumbing network by 20% by extending the existing distribution system and reconstruct 60% of existing plumbing network by the end of 2022.
		4.1.2.Add 45 km of sewage network and build two plants for biological wastewater treatment on the territory of the municipality by the end of 2022.
	4.2.Development of ecologic awareness in the population and establishing a comprehensive waste management system	4.2.1.Introduce new and upgrade existing programmes of formal and non-formal ecological education by forming one ECO section in each elementary school in the municipality and organize monthly public ECO discussion boards with the aim to give information about adequate environment protection by the beginning of year 2012/13.
		4.2.2.Remediation of 90% of unarranged landfills, recultivation of land and forming of 2 waste recycling yards on the territory of the municipality by 2022
	4.3.Develop transport infrastructure by revitalizing the existing and building a new local road network	4.3.1. Construct 12 km of new roadway and reconstruct 25km of local roads by 2022.
		4.3.2.Reconstruct 20% of regional transport infrastructure that goes through the municipality of Gadžin Han by 2022.
	4.4.Improve energy efficiency in the municipality in accordance with the environment protection principles with significant use of renewable energy sources	4.4.1.Improve energy efficiency through the reconstruction of public lighting by replacing 100% of existing street lamps with modern ones and using 5% of renewable energy sources in total consumption of electricity and heat
		4.4.2.Increase energy efficiency in 60% of public facilities in the municipalities by the end of 2022

Strategic and operational goals within the priority



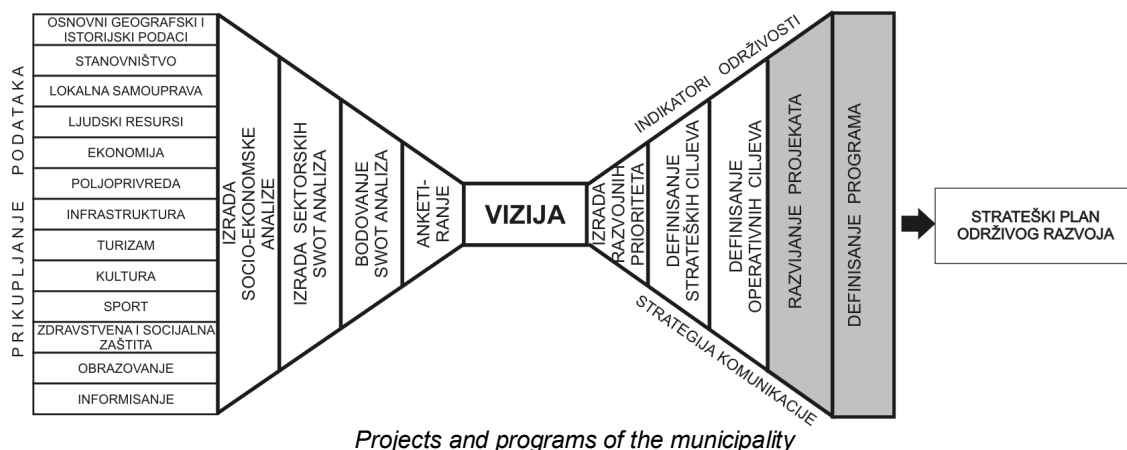
**SUSTAINABLE DEVELOPMENT STRATEGY
OF GADŽIN HAN MUNICIPALITY 2012-2022**



PROJECTS AND PROGRAMS



Review of projects and programs



The outcome of working on development of strategic document, are projects whose planned realization has direct impact on sustainable development of municipality of Gadžin Han.

The projects are concretization of efforts through which the area of planned intervention is narrowed down from general to specific. They are related to every operational goal defined by work of TWG.

At this stage, the members of working groups worked on developing specific project ideas, that is, on actions that will produce future positive changes in municipality of Gadžin Han, in the next ten years. Project ideas were defined using internet tool OLEDNETWORK developed by Regional Agency for Economic Development of Sumadija and Pomoravlje (www.olednetwork.rs/gadzinhan-projekti). After finishing the process of entering projects ideas, the portal became database of project ideas which will be used in process of strategic document implementation in the following years.

Each project idea is explained through the project form which contains key elements of every project:

- Project title
- Applicant
- Purpose of the project
- Field of intervention
- Operational goal from the Strategy
- Level of realization
- Type of project
- Description
- Expected results
- Activities
- Realization requirements
- Risk factors
- Project value
- Project duration
- Initial partners
- Notes

Adopting the final list of projects, which involved complete project ideas within each of the operational goals, each strategic objective defined within each priority, was followed by the grouping of projects into development programs which was based on complementarity of project ideas. Program identification is important for creating financing mechanisms and strategic document concretization.

The crucial part of this stage were strategic goals defined within development priorities, as their comprehensiveness was the key factor in deciding whether the programmes will be identical as goals, or in case there is a great number of projects defined within goals, the goals will be divided into several components and then turned into programmes.



Previously mentioned approach was implemented in the municipality of Gadžin Han and it produced final list of eighty five (85) projects and eleven (11) development programs, distributed according to priorities:



Rural, economy and tourism

1. Primary Agricultural Productivity Improvement Program

Project	Intervention Area	Operational Objective	Project value
1. Workshop for young people – Tourism development in the municipality's territory	<i>Tourism</i>	1.1.5 - Rural, Economy and Tourism	20000 €
2. Opening the office for educating entrepreneurs	<i>Economy and Entrepreneurship</i>	1.1.5 - Rural, Economy and Tourism	80000 €
3. Acquisition and allocation of the greenhouse for the production of soft fruit with plant material	<i>Rural</i>	1.1.3 - Rural, Economy and Tourism	100000 €
4. Mini sheep farm construction	<i>Rural</i>	1.1.2 - Rural, Economy and Tourism	250000 €
5. Purchasing of machines for processing, cutting and harvesting of medicinal plants	<i>Rural</i>	1.1.1 - Rural, Economy and Tourism	40000 €
6. Rent-agrar	<i>Economy and Entrepreneurship, Rural</i>	1.1.1 - Rural, Economy and Tourism	80000 €
7. Purchasing of berry fruits seedlings	<i>Rural</i>	1.1.3 - Rural, Economy and Tourism	50000 €
8. Education of agricultural producers in the field of agricultural productivity improvement	<i>Rural</i>	1.1.5 - Rural, Economy and Tourism	10000 €
TOTAL:		630.000 €	



2. Improvement program for processing and storage capacities and farmers association processes

Project	Intervention Area	Operational Objective	Project Value
1. Vegetable production increase and marketing of final products in modernized packing	<i>Rural</i>	1.2.2 - Rural, Economy and Tourism	500000 €
2. Increase of processing capacity for the medicinal plants processing	<i>Rural</i>	1.2.1 - Rural, Economy and Tourism	40000 €
3. Increase of capacity for plantation cultivation of medicinal plants	<i>Rural</i>	1.2.1 - Rural, Economy and Tourism	50000 €
4. Forming of a local purchase-distributional centre for fruits and vegetables	<i>Economy and entrepreneurship</i>	1.2.3 - Rural, Economy and Tourism	15000 €
5. Dryer construction and equipping	<i>Economy and entrepreneurship</i>	1.2.3 - Rural, Economy and Tourism	110000 €
6. Virtual market opening	<i>Economy and entrepreneurship</i>	1.3.2 - Rural, Economy and Tourism	30000 €
7. Forming of Farmers Association	<i>Rural</i>	1.3.1 - Rural, Economy and Tourism	300000 €
8. Forming of Beekeepers Association	<i>Economy and entrepreneurship, Rural, Tourism</i>	1.3.1 - Rural, Economy and Tourism	3000 €
9. Establishing registry offices on the territory of the municipality of Gadžin Han	<i>Rural</i>	1.3.2 - Rural, Economy and Tourism	20000 €
TOTAL:		1.068.000 €	



3. Support program to entrepreneurship development

Project	Intervention area	Operational Objective	Project value
1. Initiation and restoration of the existing capacities in the textile production area	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	1000000 €
2. Handicraft "Skut"	<i>Economy and entrepreneurship, Tourism</i>	1.4.1 - Rural, Economy and Tourism	200000 €
3. Opening of an electronic centre for working with clients in Gadžin Han	<i>Infrastructure Rural</i>	1.4.3 - Rural, Economy and Tourism	200000 €
4. Business incubator for entrepreneurship encouragement	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	160000 €
5. Forming of industrial zones in the municipality of Gadžin Han	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	480000 €
6. Self-employment grant scheme	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	300000 €
7. The formulation of an active policy to attract investors	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	20000 €
8. Agricultural land purchase for the industrial zone construction	<i>Economy and entrepreneurship</i>	1.4.2 - Rural, Economy and Tourism	100000 €
9. Investments stimulation in SME sector through establishment of the Regional Guarantee Fund	<i>Economy and entrepreneurship</i>	1.4.3 - Rural, Economy and Tourism	50000 €
TOTAL:		2.510.000 €	



4. Support program to tourism development in the municipality of Gadžin Han

Project	Intervention area	operational objective	Project value
1. Cable car "Straziste" construction	<i>Infrastructure, Sport, Tourism</i>	1.5.3 - Rural, Economy and Tourism	800000 €
2. Event "Zaplanjski zalogaj"	<i>Culture, Economy and entrepreneurship Tourism</i>	1.5.4 - Rural, Economy and Tourism	5000 €
3. Event "Vodenicarski kacamak"	<i>Tourism</i>	1.5.4 - Rural, Economy and Tourism	10000 €
4. "It's nice to live in the countryside"	<i>Economy and entrepreneurship, Rural, Tourism</i>	1.5.4 - Rural, Economy and Tourism	100000 €
5. Construction and decorating of recreation and tourist complex on Selicevica	<i>Infrastructure</i>	1.5.2 - Rural, Economy and Tourism	300000 €
6. Construction of hiking trail and two bases from Donji Dušnik to the top of Suva planina	<i>Infrastructure</i>	1.5.2 - Rural, Economy and Tourism	100000 €
7. Outdoor pool sanitation in Donji Dušnik	<i>Tourism</i>	1.5.3 - Rural, Economy and Tourism	150000 €
8. Arranging of recreational tourism complex in Donji Dušnik-Camp area and river bed	<i>Tourism, Environment</i>	1.5.3 - Rural, Economy and Tourism	150000 €
9. Equipping of households for engaging in Rural areas tourism	<i>Tourism</i>	1.5.1 - Rural, Economy and Tourism	20000 €
10. Manifestation and Rural areas tourism promotion	<i>Tourism</i>	1.5.1 - Rural, Economy and Tourism	15000 €
TOTAL:		1.650.000 €	
TOTAL RURAL, ECONOMY AND TOURISM		5.858.000 €	



Health and social care

1. Program for Health care system improvement

Project	Intervention Area	Operational Objective	Project value
1. Procurement of mobile clinics	Health and social care	2.1.1 - Health and social care	50000 €
2. Village clinic reconstruction in Grkinja	Health and social care	2.1.1 - Health and social care	20000 €
3. Medical equipment procurement for Health Center	Health and social care	2.1.2 - Health and social care	20000 €
4. Video surveillance at the Health Center in Gadžin Han	Health and social care	2.1.2 - Health and social care	4000 €
5. Creating a healthcare beneficiaries database	Health and social care	2.1.2 - Health and social care	7000 €
6. Training doctors in order to monitor new medical views	Health and social care	2.1.3 - Health and social care	5000 €
7. Training employees in Health Center for emergency assistance	Health and social care	2.1.3 - Health and social care	1500 €
8. Health care services promotion	Health and social care	2.1.3 - Health and social care	3000 €
9. Healthy life promotion	Health and social care	2.1.3 - Health and social care	3000 €
TOTAL:			113.500 €



2. Health care system improvement program

Project	Intervention area	Operational Objective	Project value
1. Marriage and family counselling	<i>Health and social care</i>	2.2.1 - <i>Health and social care</i>	40000 €
2. Construction of gerantological centre in the municipality of Gadžin Han	<i>Health and social care</i>	2.2.1 - <i>Health and social care</i>	80000 €
3. Red Cross facility arrangement	<i>Health and social care</i>	2.2.1 - <i>Health and social care</i>	10000 €
4. Education of employees of the Social security Centre	<i>Health and social care</i>	2.2.2 - <i>Health and social care</i>	2500 €
5. "Give us a hand too"	<i>Health and social care</i>	2.2.2 - <i>Health and social care</i>	9000 €
TOTAL:		141.500 €	
TOTAL HEALTH AND SOCIAL CARE:		255.000 €	



Education, culture and sport

1. Improvement program of human and technical capacities of the municipality's educational system

Project	Intervention area	Operational Objective	Project value
1. Opening of secondary school department in the field of agriculture	<i>Education</i>	3.1.2 – Education, culture and sport	700000 €
2. Equipping classrooms with white boards	<i>Education</i>	3.1.1 - Education, culture and sport	10000 €
3. IT cabinet forming in Elementary School “Vitko I Sveta”	<i>Education</i>	3.1.1 - Education, culture and sport	20000 €
4. Reconstruction of school facility for the multifunctional services in Gognji Dusnik	<i>Tourism</i>	3.1.1 - Education, culture and sport	150000 €
5. Procurement of sports equipment for Elementary school in the municipality of Gadžin Han	<i>Sport</i>	3.1.1 - Education, culture and sport	10000 €
6. Woodwork adaptation in the facility of Elementary School “Vitko I Sveta”	<i>Education</i>	3.1.1 - Education, culture and sport	100000 €
TOTAL:		990.000 €	



2. Program of revitalization and cultural and historic sites construction

Project	Intervention Area	Operationa Objective	Project Value
1. Cultural Centres arrangement in local communities	<i>Culture Rural, Environment</i>	3.2.1 - Education, culture and sport	500000 €
2. Construction of Homeland Museum	<i>Culture</i>	3.2.1 - Education, culture and sport	350000 €
3. Local mini transport	<i>Culture Education, Sport Environment</i>	3.2.2 - Education, culture and sport	300000 €
4. Construction of the memorial room of Branko Miljkovic	<i>Culture</i>	3.2.1 - Education, culture and sport	150000 €
5. Equipping Rural areas cultural centres with sound equipment	<i>Culture</i>	3.2.2 - Education, culture and sport	30000 €
TOTAL:		1.330.000 €	



3. Development program of sports personnel, associations, contents and facilities

Project	Intervention Area	Operational Objective	Project Value
1. Construction of football field tribunes and following facilities renovation and extension	<i>Sport</i>	3.3.1 - Education, culture and sport	35000 €
2. Air dome installation in Toponica	<i>Sport</i>	3.3.1 - Education, culture and sport	120000 €
3. Fencing and constructing of a mini field with artificial grass in the schoolyard in M. Kutina	<i>Infrastructure Education, Sport</i>	3.3.1 - Education, culture and sport	10000 €
4. Cross "Dolinom Kutinske reke"	<i>Sport, Environment</i>	3.3.2 - Education, culture and sport	20000 €
5. School sports hall construction in the municipality of Gadžin Han	<i>Sport</i>	3.3.1 - Education, culture and sport	800000 €
6. Reconstruction of sport facilities in the Rural areas local communities	<i>Sport</i>	3.3.1 - Education, culture and sport	200000 €
7. Upgrading the football field for football in Z. Toponica	<i>Sport</i>	3.3.1 - Education, culture and sport	50000 €
8. Air dome construction in Donji Dušnik	<i>Sport</i>	3.3.1 - Education, culture and sport	170000 €
9. Buying of students' bus	<i>Education</i>	3.3.2 - Education, culture and sport	30000 €
TOTAL:		1.435.000 €	
TOTAL EDUCATION, CULTURE AND SPORT:		3.755.000 €	



Infrastructure and environment

1. Improvement program of the existing communal distributive systems and construction of new ones

Project	Intervention Area	Operational Objective	Project Value
1. Sewerage system upgrading and biological treatment	<i>Infrastructure</i>	4.1.1 - Infrastructure and environment	1000000 €
2. The stream cleaning and decorating	Infrastructure, Rural and environment	4.1.2 - Infrastructure and environment	100000 €
3. New water sources- Water-supply	Infrastructure and environment	4.1.1 - Infrastructure and environment	800000 €
4. Water supply network reconstruction and upgrading in Z. Toponica	<i>Infrastructure</i>	4.1.1 - Infrastructure and environment	80000 €
5. Construction of a sewerage network secondary collector in villages D. Dušnik, Taskovici, Grkinja, G. Dušnik, Marina Kutina	<i>Infrastructure</i>	4.1.2 - Infrastructure and environment	150000 €
6. Construction of two Aquatrons (wastewater cleaners) in Taskovici and D. Dušnik	Infrastructure and environment	4.1.2 - Infrastructure and environment	700000 €
TOTAL:		2.830.000 €	



2. Development program of traffic infrastructure, energy efficiency improvement and environmental awareness development

Project	Intervention area	operational objective	Project value
1. Forming of the association for the clean-up maintenance of Kutinska reka	<i>Environment</i>	4.2.2 - Infrastructure and environment	20000 €
2. Children's recreational park in M. Kutina	<i>Environment</i>	4.2.2 - Infrastructure and environment	30000 €
3. "The best yard in Zaplanje"	<i>Culture, Tourism, Environment</i>	4.2.2 - Infrastructure and environment	30000 €
4. Traffic infrastructure reconstruction	<i>Infrastructure</i>	4.3.2 - Infrastructure and environment	1000000 €
5. Pavements construction in Z. Toponica	<i>Infrastructure</i>	4.3.1 - Infrastructure and environment	50000 €
6. Bridge construction on Kutinska reka and river flow regulation	<i>Infrastructure Rural, Environment</i>	4.3.1 - Infrastructure and environment	200000 €
7. Reconstruction of local asphalt roads in G. Han, D. Poljana, Miljkovac, D. Dusnik	<i>Infrastructure</i>	4.3.2 - Infrastructure and environment	1200000 €
8. Reconstruction of local road Z. Toponica-Dukat	<i>Infrastructure</i>	4.3.1 - Infrastructure and environment	320000 €
9. Construction of three mini reservoirs on Kutinska reka	<i>Infrastructure, Tourism</i>	4.4.1 - Infrastructure and environment	600000 €
TOTAL:		3.450.000 €	
TOTAL:		6.280.000 €	



DEVELOPMENT PRIORITY	TOTAL VALUE
1. Rural areas, local economy and tourism development	5.858.000 €
2. Health and social care system improvement	255.000 €
3. Education, culture and sport development	3.755.000 €
4. Infrastructure and environmental protection improvement	6.280.000 €
SUSTAINABLE DEVELOPMENT STRATEGY OF GADŽIN HAN MUNICIPALITY 2012-2022	16.148.000 €

Through a “Sustainable Development Strategy of Gadžin Han municipality 2012-2022” process, 85 project ideas and 11 development programs is defined in the total value of 16.148.000 Euros.

RECOMMENDATIONS FOR STRATEGY REALIZATION





Recommendations for strategy realization

Territory of municipality of Gadžin Han is recognized as the area of significant development potentials. *Sustainable development strategy of Gadžin Han municipality 2012-2022* recorded all these potentials and based on them, pointed out the objectives and actions to be realized in the future. Given that the whole development of the strategic document was based on participatory approach, which included the involvement of wider local community, the same approach should be applied when implementing the Strategy. Namely, it is necessary to provide wide participation of local community actors in realization of the strategic document, in order to provide process legitimacy and its successful implementation. At the municipality level, it is necessary to enter into partnerships with public, business and NGO sectors for joint work on implementation of plan predicted activities. Planned approach, continuity of actors' joint work on implementation during the entire duration period of the strategic document, with respect to the rules and awareness of the need for responsible conducting of the implementation process, represent the key elements for achieving the sustainable development of Gadžin Han municipality, described in local Strategy.

Above mentioned process includes several stages, i.e. steps, which lead to realization of it. First step in this process is forming the Committee for monitoring the implementation of local Sustainable development strategy with clearly defined tasks and responsibilities. First task of the Committee is to coordinate the development of implementation plan and action plan for Strategy realization. Apart from local community representatives, Committee is made of representatives of regional instances, responsible for territory of Gadžin Han municipality.

Sustainable development strategy of Gadžin Han municipality 2012-2022, with implementation and action plan created, becomes the basis for the development of sector strategies and it is involved in the work of every local government service, becoming a tool in establishing a budget.

On annual and three-year level, there is an auditing of strategic document with the help of sustainability indicators which describe the changes in the municipality, i.e. progress resulting from implementation of Sustainable Development Strategy of municipality. They will effectively evaluate the efficiency of the entire, above mentioned mechanism, from year to year, until the expiry of the duration period of *Sustainable Development Strategy of Gadžin Han municipality*.

