

**Draft proposal of the strategic plan of
Bosansko Grahovo municipality devel-
opment for period 2005-2010**

Content:

1. Introudction

2. Situation analyses

I. Geographical position

II. Demographic situation and labour market

III. Economical and business situation

IV. Infrastructure

V. Education

VI. Health and Social care

VII. Culture and Sport

VIII. Local government and its partners

IX.. Swot analyses

X. Vision statement

3. Strategic Goals

Introduction

Taking into consideration the level of war destruction which occurred in municipality of Bosansko Grahovo it could be said that Strategic plan of the municipal development belongs to the documents which offer positive step forward. It reflects total number of our wishes and hopes as well as realistic possibilities for the exit from the crises period. Taking into consideration that this generation bears a huge pressure of responsibility in finding out the paths from very difficult economical, cultural, spiritual and any other condition, the creators of this plan have tried, through numerous contacts, meetings and talks, to resume all possible knowledge and to enter in the strategic plan everything what is necessary for municipality of Bosansko Grahovo and what is from extreme importance for its recovery.

There is complete reduction of production in municipality of Bosansko Grahovo, there is complete disorder in the market, irrational exploitation of the natural resources, increase of unemployment and analogue to that increase of social-economic problems as well as in many other municipalities and states which are caught by the process of transition. Such condition has produced a need for finding the ways of concrete actions and creating a programme which would solve those problems in certain period of time. The wishes and interest of all subjects at the area of Bos.Grahovo municipality are presented in a document which we defined as Strategic plan of development of Bosansko Grahovo municipality for period 2004-2010. The elements of great interest for general social-economical development for municipality of Bos.Grahovo are pointed out in this document. With comprehensive analyses we want to create qualitative basics for identifying most rational short term and long term solutions of social economical development for Bos.Grahovo municipality starting with rational exploitation of natural and other advantages of the municipality.

This document is a result of Commission for planning of the municipal development work as well as OSCE, NGOs, local authorities, youth and other relevant factors. Its aim is to imply the clear direction and to try to identify benchmarks for future development of this local community.

At Municipal council session on 13.02.2004 the council, on Mayor's proposal, has established a team for making strategic plan of development of Bos.Grahovo municipality. This team has passed several educative seminars and after that started collecting information and recording of real condition of the municipal area in order to conclude which 'forces' Bosansko Grahovo

municipality has on its disposal, what are the weaknesses, opportunities and trends and on basis of those analyses the team created final text of the strategic plan of development of the municipality for period 2004-2010.

I. Geographical position and natural resources

I.1) Geographical position of Bosansko Grahovo municipality

Bosansko Grahovo municipality is situated in south-west part of BiH and it covers 780 km². The municipality borders with municipalities of Drvar, Glamoc, Livno and Kulen Vakuf in Federation of BiH and municipalities of Srb, Knin and Kijevo in Republic of Croatia, and it is only 80km away from the Adriatic Sea shore (Sibenik).

I.1.1) Important road communications

First major road which was built through Grahovo area is the one from 47 and 48 A.C. On basis of this road Austro-Hungarian authorities are building the macadam road Strmica-Bosansko Grahovo - Drvar in year 1892 which was covered with asphalt surface in 1975 and became main (B+ truck) road.

At the area of the municipality asphalt main roads were built towards Knin (16km), Drvar (18km) and Livno (36km) which makes total of 70km of main asphalt road and status of main road is also given to macadam road Resanovci –Licka kaldrma (12km). Almost all settlements are connected with centre of the municipality by asphalt roads but they are in bad condition. The railway from Knin to Bosanski Novi is passing through Bosansko Grahovo municipality area (Donji Tiskovac village) in length of 1700m with railway station in Bosanski Drenovac.

I.1.2) Height above sea level

Bosansko Grahovo municipality area is surrounded with mountains Uilica (1602m), Jadovnik (1650m), Sator (1872) and mountain Dinara with its peak Veliki bat (1851m). There are two karst fields among those mountains, Grahovo field is 850 above sea level, 29km length and wide around 4km and Livno field which is 700-800m above sea level, surface around 10.000ha and in average wide of 8km and part of it which belong to municipality of Bosansko Grahovo is 13km long. The Municipal centre is 860m above sea level. At the area of the municipality there are at the moment 32 settlements from 550m above sea level (Mracaj) up to 1200m above sea level (Ticevo).

See, pictures 1,2,3

1.2.) Natural resources of Bosansko Grahovo municipality

Grahovo and Livno fields could be important basic for agricultural and cattle breeding production with use of agro-technical resources.

There is important source of clay at the area of Grahovo field for production of bricks and roofing-tiles which was exploited for more than 50 years and today is not in function of production. At the area of Livno field which belongs to Bosansko Grahovo municipality an important source of peat "Zdravovac" is situated and its surface is around 10.000ha and its reserves are estimated up to 3 million tons which makes it the biggest at the area of former Yu-

goslavia. On the peat base one of the biggest nursery-gardens for production of the forest plants and ornamental and decorative species in Europe has been opened. Underneath of peat sediment there are big sources of clay for production of ceramics tiles but its capacities were not used so far and sources of the sand for building purposes which is being exploited without control and plans and which is not properly and legally organized.

The municipality has many meadows, forests and pasture grounds. Sator mountain surface is 10.500ha out of which 9.600ha is under forests which says enough about the forest wealth of this area.

Bosansko Grahovo municipality has 2755ha of plough-land, 3ha of gardens, 50ha of fruit gardens, 11.262ha of meadows, 33.019 of pasture grounds, 29.558ha of forests and 721ha of unfertile ground which makes total of 78.010ha.

See pic.4 – tabular overview of surfaces

At 1488m above sea level on Sator mountain Satorsko jezero (Satopr lake) is placed. It is 337 long and 127m wide and belongs to the glacier lakes group. The deepest point is 8m. The water is limpid until 4m depth so the most of the lake bottom is visible (see pic.2.)

Beside this lake there are tow other natural lakes, Pecenacko lake in Grahovo field and lake in Nuglasica in Livanjsko field ad two artificial lakes in Borovaca and Preodac which can be serious potential for fish breeding.

From forest species majority is beech-tree, pine, spruce and fir-tree with total surface of 30.000ha. Because of rich forest vegetation this area is suitable as habitation of various species of birds, wild animals and various species of rodents and reptiles.

Wheat, rye, barley and potato are being planted at the area of the municipality; mainly for private needs thus less than 10% of fertile surface is cultivated.

I.2.1) Drinking water and sources

Bosansko Grahovo municipality possesses large amount of drinking water, spring Gudaja, source of river Unac, source in Peci village and other smaller sources and underground rivers, but the municipality is not enough supplied with drinking water. In hydrographical sense Grahovo field is divided on two tracts, Black and Adriatic sea tracts. Watershed in settlement Begovac which is known among the people as Dijelovi, small river Struga, river Unac and Gudaja belong to Black sea tract while river Korana and waters from Livno field belong to Adriatic sea tract.

I.3.) Climate at Bosansko Grahovo municipality area

Bosansko Grahovo municipality, even though by its position is very close to Adriatic sea, has continental climate with long and sharp winters and short and warm summers. Due to its position this area has very big number of sunny days in a year. Seismic position of municipality is connected with area of mountain Dinara which is very unstable with often earthquakes of medium intensity.

Addition: geographical position of Bosansko Grahovo municipality

II. Demographical situation and labour market

II.1.) Demographical situation

II.1.1.) History of demographic situation of local community

125 years ago (1879) Austrian authorities have for the first time conducted census of BiH population. After that 11 more official censuses have been conducted according to the principles of modern statistics: 3 during Austro-Hungarian authorities (1885., 1895. and 1910), 2 during Kingdom of SHS/Yugoslavia (1921,1931) and 6 during Yugoslav communist authority (1948., 1953., 1961., 1971., 1981., 1991..).

According to census from 1991 Bosansko Grahovo municipality had 35 settlements and the municipality surface was 782km². Serbs lived in 34 settlements and Croats in 5 (information from census 1991).

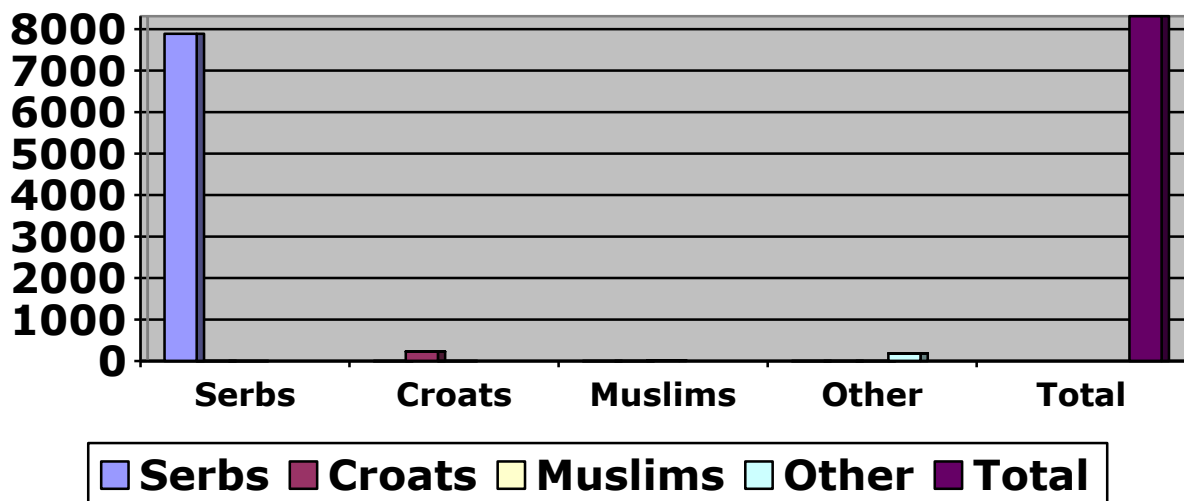
Population was displaced due to the war activities in 1995 (Action Storm). Since 1995-1998 people of Croat nationality from other areas of BiH were settling in our municipality.

II.1.2.) pre-war number of citizens- 1991 census

Number of citizens in 1991 was 8311 out of which:

Serbs: 7888 or 94,9%
Croats: 226 or 2,7%
Muslims: 12 or 0,1%
Others: 185 or 2,2%

schematic table of population in Bosansko Grahovo according to 1991 census



II.1.3) Former economy subjects

Total number of employed people in Bosansko Grahovo until 1992 was 3250 employees. Beside mentioned, people from rural areas were involved in cattle breeding, sheep, cows, horses and smaller part was breeding goats and pigs.

During the war activities (Operation Storm) everything was destroyed and looted and from above mentioned potential nothing has left.

Until 1995 in Bosansko Grahovo next state owned economy subject existed:

-Wood processing factory (with complete production of furniture which was exported to USA) , <i>employees</i>	611
- Unis, metal bearings factory, <i>employees</i>	33
- Hospital with pharmacy, <i>employees</i>	28
- Post office with offices in Peci, Crni Lug and Preodac, <i>employees</i>	20
- Forestry "Borovaca", <i>employees</i>	410
- Peat, natural humus, <i>employees</i>	180
- Nursery garden, <i>employees</i>	120
- Utility company, <i>employees</i>	6
- Municipality, court and police	110
- Culture centre and radio station	12
- Trade market and catering	315
- Brick factory	157
- Autoprevoz (transport company)	120
- Borac, shoe factory	405
- Vet station	3
- Kindergarten, primary and secondary school	40

II.1.4) Return

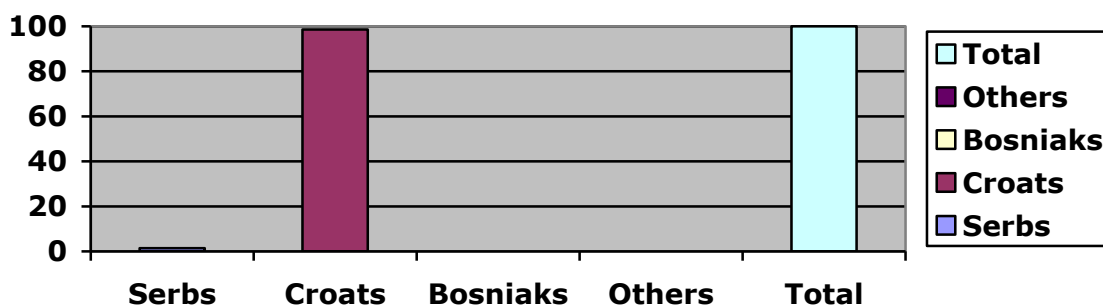
Return of the population started in 1996 but it was weak due to the fact that 97% of the municipality was destroyed in war activities. Complete industry was destroyed by war activities and looting of the property.

Number of returnees on 31.12.2003. was 3279 and number of displaced person 179 which makes total of 3476 people. Number of the registered people who would like and have to return is around 3150 so in total it would be close to figures from 1991 census. Return of registered people is not possible to achieve because high percentage of still destroyed houses, 73%. The reconstruction without assistance of international community is not possible.

According to information from 1996 there was total 926 citizens:
(figures given by CCI-Centre of Civil Initiatives)

Bosniaks- 0,0%
Croats – 98,6%
Serbs- 1,4%

Schematic table of Bosansko grahovo population according to 1996 census



II.1.5) Total number of citizens

Total number of citizens on 31.12.2003 is 3476, out of which 179 are displaced persons:

Serbs: 3258

Croats: 200

(Source of information- registration centre)

Number of displaced person from the area of Bosansko Grahovo is 5240, all of them of Serb nationality (source- municipality)

From total number of citizens there are:

1158 women

1280 pensioners

320 children of age up to 16 years

795 youth up to age of 30

II.2.) LABOUR MARKET

There are 1976 citizens who are capable to work (information of employment bureau). Number of registered persons in the Bureau is small and it does not reflect realistic situation as the population does not have faith that they would be employed if registered with the bureau.

At the moment there are 426 people employed out of that number 351 is registered at the bureau and 75 is working illegally (on so called black market).

Number of registered is 173 out of which 64 are women and only 28 are using health insurance.

Structure of registered people at Employment bureau:

High education 2 (1 woman)

Higher education 8 (3 women)

High school education 53 (21 women)

Qualified workers 57 (12 women)

Half qualified workers	2 (1 woman)
Unqualified workers	51 (26 women)
	173 (64 women)

It is estimated that there are around 1600 citizens who are capable to work and who are not registered with the employment bureau. It is difficult to assess their qualification structure because there is no complete information about it.

Before the war Bosansko Grahovo was importing workers because it was requested by developed industry and big natural resources.

Now one part of the employees is coming from Central Bosnia, Livno, Croatia, Banja Luka... Returnees do not have a chance to get a job. The biggest obstacle is devastation of the industrial objects. One of the problems on employment is illegal privatization. The privatization process is conducted without participation of Bosansko Grahovo population and without influence of the municipality. The Bureau which is placed in Livno is announcing objects of privatization in newspapers from Mostar or central BiH thus local population does not have any insight on the information when the announcement is made and in which magazine/newspapers. Privatization process conducted on that way has served only to few people from central Bosnia and from Croatia for their personal benefits and not to employ people from Bosansko Grahovo .

Local population is jeopardized also from the aspect of media isolation.

The employed people work in forestry, custom office, Electro Company, post office, police and in private sector (catering and shops).

Needs for change of qualifications and additional education are significant. Work of population on work on computers is also necessary as well as education in foreign languages as well as change of qualification in accordance to the current needs.

There are no famous managers in our community considering the fact that capable managerial "fund" is displaced. They live and work mainly in Banja Luka area. If conditions for better material life in the municipality are created the return of qualitative managers could be expected

III. Economical and business situation

III.1.) Condition of economy in the past

Economy of Bosansko Grahovo in the past was based on wood processing industry as a skeleton of industry development, Wood processing factory was mainly producing cut building material mad of spruce/fir-tree and beech-tree, beech tree parquet (steamed and non-steamed) and final product colonial chairs on basis of beech tree. Annual production of spruce/fir tree and beech tree was approx. 45-50.000m3. Number of employees was around 660. The market for the cut building material of beech tree was mainly in Italy, Austria, Poland and to some other European countries. Cut building material of spruce/fit tree and parquet was mainly sold to markets in Serbia and Slovenia. Final product of the factory (colonial chairs) was exported to USA market.

Exploitation of peat in part of Livno field which belong to Bosansko Grahovo municipality with annual production of 60.000t and 180 employees was important factor for economy in the municipality.

DPS" Borovaca" was managing the forest wealth and its yearly production was approx. 95.000m³ of wood assortments. It had 410 employees.

Nursery garden "Przine" was producing plants of all soft woods and some species of hard wood. Number of employees was approx. 120.

Factory of rolled cylindrical metal bearings (UNIS) with 115 employees, Shoe factory "Borac" with approx. 405 employees, brick factory "Ciglana 27. July" with 140 employees, trade-catering company with 225 employees and company for transport of passengers and goods "Prevoz" with 120 employees were companies which, together with afore mentioned ones, were main mechanism of former economical development in Bosansko Grahovo municipality.

Main advantages that local community offered were wealthy natural resources and secured market.

III.2.) Situation in privatization process

Process of privatization in Bosansko Grahovo municipality started on 22.10.2002 in order as follows:

22.10.2002	"Dinara" (former trade company)
22.10.2002	"Prevoz" (company for transport passengers and goods)
08.11.2002	"Gradina" motel and "Sarajevo" hotel
10.03.2003	"PP Zeljezarija" part of "Dinara" company
11.03.2003	"PP Bijela Tehnika" part of "Dinara"
11.03.2003	"PP Prodavnica br.10" part of "Dinara"
11.03.2003	"Konfekcija" part of "Dinara"
11.03.2003	"PP Tekstil", part of "Dinara"
13.03.2003	"PP Autodijelovi" part of "Dinara"
16.06.2003	Factory of cylindrical metal bearings (tvornica cilindricno valjcanih lezajeva)
24.07.2003	"PP Samoposluga" part of "Dinara"
23.07.2003	"PP Namjestaj", part of "Dinara"
23.07.2003	"PP Pekara" part of "Dinara"

An activity concerning the privatization of remaining economy subjects continues (April 2004).

III.3.) State owned companies

There are 5 state owned companies in Bosansko Grahovo at the moment:

Public company Hercegbosanske sume – forestry Bosansko Grahovo

Nursery garden “Przine”

Telekom,

Electro Company,

Distribution of electric power.

Range of Electro company and Telekom activities has modest trend of the increase because in some local communities/settlements electric and phone lines are not installed and the installation is planned to be accomplished during this year (2004). Range of the activities in forestry and Nursery garden will be in frames of the last year ones. Number of employees in Forestry is 56, Electro company 4, Distribution of electric power 4 and in Telekom 4.

Municipality does not have almost any control/ interference over these companies. This impossibility to interfere in work of these companies is reflected at the first place on employment of returnees, un regular payment of the forest taxes by the Forestry for using of the forest wealth, etc...

III.4. Economical structure of currently existing businesses

Private and privatized companies exists in sector of catering, trade, sand separation, brick production, carpentry shops and hairdressers.

There are 17 small companies (catering, trade and carpentry).

There is one medium size company (separation of sand for building trade).

There is one big company (Bricks factory)

Ownership of peat factory is not defined, that activity is ongoing.

Clear classification in company sectors does not exists. Agriculture is occupation of smaller number of people. Industrial production is put aside and bigger industrial capacities are not in function.

Company “Sepracija Przine” shows most obvious progress in development. That is medium size company involved in production and separation of the sand for building works. The result of such growth could be seen in increased need for sand in connection with reconstruction of devastated buildings. This is mainly due to private investment.

Companies that are currently not working, i.e. that went bankrupt, are: Wood processing factory (now INN Bosansko Grahovo), Shoe factory “Borac” (devastated during the war),

“Prevoz” (transport of passengers and goods-devastated during the war), “Tourist-catering company” (devastated during the war), IGM Brick factory (devastated during the war, now under reconstruction), UNIS factory of cylindrical metal bearings (devastated during the war and looted after the war).

Wood processing factory (now “INN Bosansko Grahovo”) did not suffer any destruction from the war activities. It is mainly looted after signing of the Dayton Peace Accords and due to unsolved ownership status. Capacities of mechanical wood processing could be used with smaller investments.

There is one service that municipality can offer to the companies: allocation of the land for establishing of new smaller and medium size companies. There are certain locations which are suitable for their establishment and use.

Association “Mala Privreda” (Small economy) exist at the area of Bosansko Grahovo municipality and it is established with an aim to promote relationships and to create better conditions for trade, catering and handmade market which was very active in days after registration, and later it became non active. Currently there is no cooperation between this association and the municipality in sense of the regular meetings, organized forums and similar. Beside that there is no business association which would represent interests of the companies, there are no consulting companies which would provide advices, financial, informative or legal services, management and marketing services and there is no department for economical development within municipal administration. There are no available credit resources at the level of the municipality and accessibility to some capital at local level is equal to zero.

Companies need various kinds of services starting from the land, financial support, education of employees, etc...

According to the result of the inspections there are not marked cases of unregistered companies i.e. that so called grey economy present exist at the level of the municipality.

III.5.) Markets where local companies export their products

Peat: Macedonia, Croatia and home market

Sand: mainly home market

Forestry: Mainly home market

Nursery garden: exclusively home market

III.6.) Use of the natural resources (forest)

According to the latest findings management of the forests is being irrationally performed. This can be changed with change of certain parts of the Law on the forests, i.e. to give more authority to the municipalities on forests management.

IV. Infrastructure

IV.1.) Traffic

Bosansko Grahovo municipality is situated at the crossroad of main roads Bosansko Grahovo – Drvar, Bosansko Grahovo - Livno and Bosansko Grahovo – Border crossing Strmica (Croatia). These roads are in relatively good condition. Local roads (Crni Lug – Bastasi, Bosansko Grahovo – Preodac, Peci – Zebe_ are in extremely bad condition.

There is no organized transport of the citizens at the level of the municipality.

IV.1.1.) Road conditions at the level of the municipality

Two main roads are passing through Bosansko Grahovo municipality: Bos.Petrovac 0 Drvar – Bosansko Grahovo – Knin, B.Petrovac – Drvar – Bosansko Grahovo – Livno. The roads are in good condition thanks to the regular maintenance of the roads by Livno Putovi Company.

Local road network is in very bad condition. The roads are not being maintained at all and they are being destroyed by sharp winters and bad weather. The war activities also have left visible signs on the roads which were connecting settlements of Bosansko Grahovo with municipal center.

Regional road Bosansko Grahovo-Preodac is 25km long and it is in very bad condition, especially between villages V.Ticevo and Preodac. Beside the road damage caused by the war activities the mentioned route is being destroyed by daily devastation of the forest wealth on those locations.

Roads Zebe-Peci and CrnoLug-Bastasi are 15km long (both roads paved before the war) and they are in bad condition which is reflecting to the return process to the mentioned villages. With reconstruction of the roads the circumstances for mass return of the pre-war population would be created.

There are many uncategorized macadam roads at the area of Bosansko Grahovo municipality which are in very bad condition which is especially characteristic for the highlands of the municipality (Preodac, Stozista) as well as few macadam roads by which settlements are connected in Crni Lug local community.

When making plans on development of the road network at the area of Bosansko Grahovo area of Donji Tiskovac village should be seriously considered as well.

IV.1.2.) Airport

The closest airport to Bosansko Grahovo municipality is Split airport.

IV.1.3.) Railway communications

One part of Una Railway road is passing through settlement Donji Tiskovac and it is under control of the municipality. The closes Railway station is in Strmica in neighbouring Republic of Croatia.

IV.2.) Communications

IV.2.1.) The condition of telecommunications/ fixed telephony

Fixed PTT network exists in town and few town outskirts settlements (Obljaj). IN city centre the phone connection is not finished in two reconstructed buildings as well as in significant number of the private houses that had phone connection before the war : in settlements Mali Obljaj, Ugarci, Peci, Zebe, Pecenci, Kesici, Vidovici. Other local communities do not have access to any kind of phone connections.

One could get impression that phone network coverage would be much better if there was more political will from side of Croat Post and Telecommunication Company (HPT Mostar) which is in charge off fixed telephony at the area of Bosansko Grahovo. With a little good will – all pre war owners of phone connections, as well as new users, would be quickly satisfied.

IV.2.2.) Information sources

The municipality does not have a radio station. Media and information coverage of the citizens is generally bad. Daily newspapers is one day late and federal TV signal is weak and it does not cover whole territory of the municipality.

Other kinds of communications are at very low level.

IV.3.) Electricity network

High and low voltage electricity network is covering town and several local communities (Peci, Crni lug). It as accessible to all potential users where electricity supply network exists. Big part of the municipality is not yet covered with electric supplying in spite of the fact that population has returned in significant number.

Undone part of the electric supply network by which whole municipality would be covered:

Isjek- Radlovci, 8km length with 2km of low voltage network and one transformer station.

Jaruga-Crni lug, 2km length with 1km low voltage network and one transformer station.

Parojcici-Ninkovici, 200m length with 1km low voltage network and one transformer station,

Bastasi starting from Nuglasica, 5km length with 2km low voltage network and one transformer station

Donje Peulje in 1.5km length with 0,5km low voltage network and one transformer station

Raznjevica glavica in 300m length and with 400m of low voltage network and one transformer station

Preodac and Ticevo from Malesevci in 14km length and with 8km low voltage network and 3 transformer stations and area of Ticevo with 2 transformer stations

Stozista in 3 km length with 2km low voltage network and one transformer station
Strmica, in 6km length with 2km low voltage network and one transformer station

Donji Tiskovac in 10 km length with 8km low voltage network and 2 transformer stations

Marinkovci, hamlets Kubati, Acamovici, Gligici and Trkulje

So far around 80km of 10 (20)kV transmission line (here and after – TL) and 60km of low voltage line (here and after -NN) has been built as well as 40 transformer stations on poles (here and after STS).

- 10 (20) kV TL “Kazanci” with connecting TL, STS and supporting NN network (N.Naselje, Ugarci, Luka, Peulje, Podrgora, Nuglasica, Grkovci, Donji Crni Lug, Crni Lug, Przine, Donji and Gornji Kazanci)
- 10 (20) kV TL “Resanovci” with connecting TL, STS and supporting NN network (Kesici, Vidovici, Borovaca, Peci, Zebe and Resanovci)
- 10 (20) kV TL “Preodac” built from direction of Malesevci with connecting TL, STS and supporting NN network (Obljaj, Kudrin dol, Mircici, Dobrijevici)
- 10 (20) kV TL “Pecenci” with connecting TL, STS Pecenci and Studeno vrelo as well as with NN network

NN Network has been reconstructed in the town at the area of Debelo brdo, Arezine, Sipad brdo, partially Novo Naselje and Matorcici.

Electroenergetical buildings are reconstructed with donations (main part) as well as resources of public company “Elektroprivreda HZHB” d.o.o. Mostar.

Straggling state of the settlements and small number of the consumers are the difficulties for further electrification so the problem of unused electro energetic potentials is evident, though it might cause big technical losses for distribution company.

IV.5.) Radius of public and utility services

Public Utility Company (PUC) “Grahovo” is established on 10.06.1999 on proposal of the municipal council and today it works as part of Bosansko Grahovo municipality.

Basic activities of the company are:

- Distribution of the drinking water to the citizens
- Controlling and transport of the garbage
- Maintaining of the cleanliness
- Maintenance of waterline Grahovo
- Maintenance of public surfaces
- Maintenance of sewage network
- All works connected with utility infrastructure

The company has 6 employees and has 3 vehicles:

- A truck for transport and pressing of the garbage
- A truck for transport of 3 m³ of the garbage containers
- Dredging machine for various needs of PUC

The company is in very difficult situation concerning the financing.

- Only 30% of the citizens are paying the bills for water supplying
- 50% of the companies are paying the utility bills
- Assistance from the side of the municipality is at minimum because neither the municipality can realize its budget plans and it can not help the PUC significantly.

IV.6.) Water and sewage network

IV.6.1.) Water supplying

Water supplying of Bosansko Grahovo municipality is solved with construction of the water-line on route Peci-Bosansko Grahovo in length of 12km, as well as water resource Grmusino vrelo.

Water line Peci-Bosansko Grahovo has been built in 1968. The time as well as war activities made the water loss up to 40%. The waterline network is old thus its reconstruction is inevitable.

Grmusino vrelo is built in 1936 and it also needs reconstruction.

Reconstruction of the water line

- Reconstruction of 16km water line from Resanovci to Bosansko Grahovo
- Reconstruction of 2km town water line
- Reconstruction of water resource Pasic polje for which project papers exist
- Number of the users 1450

The quality of the water is often under question especially on water line Peci – Bosansko Grahovo where drinking water is mixing with sewage water because the water line is worn out. Acute problem in the municipality is lack of the drinking water during the summer period which is specially reflected in the parts of the town which are on the slope ground. With construction of the water line on route Pasica polje-Gradina the supplying of the municipality with drinking water would be solved for the long term period.

IV.6.2.) Sewage system

Sewage system is in very bad condition- especially in the middle part of the town (area around Hotel Sarajevo). After period of strong rains it happens that sewage water are pouring out which can cause appearance of various diseases.

Sewage and water lines are being maintained by PUC from Bosansko Grahovo. The repairs are being conducted from modest finance resources which are coming from various services to the citizens as well as from few donations from the Ministry of the urbanism and environment protection from Livno, i.e. the Foundation for self sustainable development from Sarajevo by whose donation the water pools were constructed (only employees of PUC have access).

Only 30% of citizens are paying the bills and private sector 60% (private companies) which does not satisfy the needs for normal functioning of the PUC. The municipality as founder of

PUC is not in the position to help significantly considering the problems with the municipal budget.

Reconstruction of the sewage network

- Reconstruction of 1,7km of the sewage system in Bosansko Grahovo
- Number of users 720

IV.7.) Environment and town planning

Environment and town plan of the municipality does not exist. The division of the land into zones (agricultural, construction and industry) is not done. The list of the buildings in ownership of the municipality exists and the records of the municipal land do not exist.

IV.8.) Housing fund

Housing fund condition until 30.04.2004.

No	Municipality	Settlement/Local community	No of houses in 1991	No of apartments in 1991	No of destroyed houses	No of destroyed apartments	No of reconstructed houses	No of reconstructed apartments
1	Bosansko Grahovo	Grahovo	627	397	573	369	297	153
2		Peci	226	4	215	4	110	0
3		Malesevo i	146	1	135	1	68	0
4		Preodac	97	6	87	6	22	0
5		Tiskovac	139	2	128	2	23	0
6		Crni Lug	683	1	661	1	286	0
7		Unista	52	0	18	0	0	0
Total			1970	411	1817	383	806	153

IV.9.) Condition of infrastructural buildings and building of general importance

CONDITION OF INFRASTRUCTURAL BUILDINGS AND BUILDING OF GENERAL IMPORTANCE

No	Municipality	Building	Buildings condition in 1991	Destroyed buildings	Reconstructed buildings
1	Bosansko Grahovo	Schools	11	11	3
2		Hospital	2	2	1
3		Municipality	1	1	0
4		Culture centre	3	3	0
5		Post office	5	5	2
6		Police station	1	0	1
7		Kindergarten	1	1	0
Total			24	23	7

29% reconstructed

V. Education

From the perspective of the economy the role of education and training is to prepare people to actively participate in establishment of the welfare. There is no country in the world which can develop or to count on economic welfare if it does not invest in education.

There is a law regulation in Bosansko Grahovo municipality concerning the education. The authorities are not overlapping.

Not in even single segment the current education can not be compared with education before the war. Before the war we had 870 students and now only 65, we had 87 employees in education, now only 10 (out of those 10, 3 are with low qualifications). The primary school was and is multinational from aspect of students and teachers.

In process of education the multinational principles have been followed which is proved with adjustment of the opinions regarding the joined curricula and education programs. More than one curriculum is currently in use in the primary school and they were not modernized comparing with the pre war contents of the books. There are some changes in the subjects thought in the schools.

Before the war the preschools education was functioning which is not the case now.

High school system existed before the war and now it does not exists because the buildings of gymnasium and high school centre are destroyed. Many children are in the schools in Banja Luka, Belgrade, Split etc...

V. Health and social care

VI. 1.) Health care

At the area of the municipality the health care service exists only partially with one vehicle and one nurse without a doctor. We have a dentist who is travelling from Livno. There is enough space but there is lack of the staff, needed equipment and medicines.

There are no concrete plans for development of the health care system at the level of the municipality. There are many problems - material and technical ones as well as lack of the staff – which are not solvable without outside assistance.

Exact information on the beneficiaries of the health care services are not known but it is very possible that the number of the beneficiaries is small because there are only urgent and basic intervention services provided.. The health care is not regulated for social cases.

VI.2.) Social care

This system is not organized due to financial, staff, space and other reasons and it is functioning only as [part of the general service in the municipality. We do not have real space build for that purpose and needs and it is not better condition in the staff structure as well. We are

not registered as a Centre for Social affairs due to material and staff reasons. It would request new staff employment such as pedagogue, psychologist, social worker, doctor and much more space and equipment.

It is difficult to speak about the exact number of the socially vulnerable cases but it is the fact that bigger number of the people requests the assistance in food, medicines, fire wood etc... The persons who are considered social cases are returnees with no incomes whatsoever, older and weak, persons with problems in psycho-physical development, blind persons as well as well as those persons that nobody takes care about. The municipality is not in the position to provide financial assistance to those people and it makes efforts to provide the fire wood and a food where it is most needed.

VI. Culture and sport

VII.1.) Hunting and fishing

In strategic development of Bosansko Grahovo municipality the hunting and fishing take the special position as a sport and as a important segment in financing as the hunting and fishing activities do participate in the fulfilling the municipal budget. Bosansko Grahovo municipality has around 500km² of the hunting area which consist of Karst fields, forests, hills, karsts and pasture grounds and it is situated at the overage hight of 600m above the seal level. It is rich with short rivers, mainly underground streams with unknown number of the water sources. Zdralovac, with two artificial lakes (Borovacko amd Preocko) as well as natural lakes (Pecenacko and Satorsko) gives special opportunity for fishing. Before the war the Hunting association had around 400 members in 4 sections, it was very well organized and has very rich fund of animals. Good part of incomes of the association before the war was coming from the tourist hunting (regular hunters during the season were Italians). We have re-established the hinting association "Grahovo" after we returned to Bosansko Grahovo and it has around 70 members now and it is in phase of consolidation and revitalisation of the breeding and protection of wild animals as well as eco protection and healing of the war consequences. Illegal hunting and un solved situation in the hunting association, that was allegedly successor of the former association, reflected on destruction of wild animals fund. The species of wild animals that are living in the area of Hunting association "Grahovo" are:

- Deer, fallow deer
- Chamois buck
- Rabbit
- Partridge
- Wild ducks
- Wild pigeon
- Other bird species

Other wild animals:

- Bear
- Wolf
- Boar
- Mountain cock
- Fox
- Jackal

- Lynx
- Eagle, hawk, sparrow hawk, mouse hawk

With good managing and protection we have good perspective for tourist hunting and foreign currency incomes. In further strategic development of the municipality the holder of this segment of the development, hunting association “Grahovo” should be ordered to make a plan of the one year period management, hunting-economy basic plan as well as qualitative protection from the illegal hunting and destruction of the wild animals’ fund.

H.A. “Grahovo” is registered and it has all bodies that are predicted with its statute. Concession has been assigned to it by the municipal council decision on 10 years period. The problems in the management are big because H.A. “Risovac” whose members and the president of the association in 90% of cases are not from Bosansko Grahovo and who do not respect the municipal council and laws, are committing illegal hunting during whole year. We warned all relevant institutions on that problem from level of canton up to the federal level but the situation remained unchanged.

The fishing association is in registration process and when it is registered we will add it to the strategic plan of the municipality.

The map with the borders of the area which is under management of H.A. “Grahovo” is attached to the document as well as the map of the mined areas with the symbols on the complete area map which reflects the situation at the field on 15.05.2004.

VII.2.) Sport

Bosansko Grahovo municipality had before the war:

- Soccer club “Grahovo”
- Basketball club “Grahovo”
- Chess club.

Pre war sport infrastructure was:

- City stadium with the rooms and necessary buildings
- Basketball play ground
- Premises of the chess club

No sport club has been re-established and the premises that the clubs owned are devastated as well as the premises that were belonging to the stadium.

VII.3.) Culture

Bosansko Grahovo municipality had a culture centre “Gavrilo Princip” before the war with city library, reading room, cinema, room for the business meetings and other premises. Culture club “Grahovo” with four sections was working as a part of the centre:

1. Folklore section
2. Drama section
3. Folklore singing section
4. Choir

Now the culture centre building is devastated (burned down) and it is not reconstructed and functional.

Culture club is also not re established and it does not have any conditions to work.

The youth is satisfying the needs for sport and culture through the NGOs that are registered in Bosansko Grahovo:

1. Runolist
2. Vjesnici nade
3. Omladinski klub "Sator"

VIII. Local governance and its partners

VIII.2.) Municipal administration

The services to the citizens are provided in majority of the cases immediately after receiving the requests or in the worse case scenario within the deadlines prescribed by the laws. The average time needed for processing and solving of the claims is maximum 2 days.

Local governance and self governance are organized in the municipality as a local self governance unit and local communities as the units of the local self governance.

Authority bodies in the municipality are Municipal council (MC) which is body of the municipal citizens representatives and Mayor who is executive municipal body.

In order to perform the duties from its jurisdiction, businesses of local self government and managerial jobs from self governmental sphere of action, as well as transferred jobs from the cantonal management, the Mayor has established next municipal services:

1. Department of general affairs and inspections
2. Department for economy, finance and budget,
3. Department for reconstruction, urbanism, utility and property affairs,
4. Department for Social, humanitarian affairs and guardianship,
5. Expert service of the Municipal council and office of the Mayor,
6. HQ of civil protection.

Municipal bodies have 20 employees in total out of that number 17 are state officers and 3 employees. Non of the mentioned employees does not have regulated employee-legal status in the sense of the registration with the pension fund and health protection.

First 4 municipal services, i.e. bodies, are functioning but the 5th and 6th service are not organized yet and fulfilled with the needed staff.

The municipal administration is situated in a building which is not conditional and the ownership of the building is under the question. The building characteristics are business/apartment type so the outdoor doors can not be locked due to the needs of the tenants in the building, there are no enough offices in the building the position of the offices in the building is not functional. The building where the municipal administration was placed before was burned down during the war and significant material resources are needed for its reconstruction.

There is a statement on the mission of local self governance and its basic idea is to create the conditions for life and work at the area of the municipality whose housing, economy and infrastructural potentials were mainly destroyed and devastated during the war and the population was displaced. The mentioned mission is not known to the public.

Organizational structure of the municipal management bodies is not adequate yet to the needs of the beneficiaries of the services, e.g. citizens of the municipality generally speaking. As the

examples it could be mentioned that there is no municipal court for minor offences, the service for geodetics is not fulfilled with needed staff as well as service for civil protection and similar. Such situation is caused with the lack of the budget resources and lack of the needed staff.

The activities directed to the assistance and creating of the conditions for growth of the local economy and employment are in jurisdiction of the Department for Economy, finance and budget which does not have directly appointed personnel to work in that direction but those activities are being performed by deputy head of department for economy, finance and budget.

Networking of the services for management has not been done and the training of the employees for work with the information equipment (e.g. computers) is on low level. Situation concerning the information technology is improved since the beginning of 2004 but the adequate programs are not installed thus the equipment is being used mainly as type-writing machines.

There are no procedures in writing which are describing who is doing what, how and in which time period and they (the procedures) are coming from the so far practice experience and orders of the managers.

The job description of the employees is not precise and solution for adequate organization of the services for management and schedule of the positions for the current employees is being searched for.

The citizens from private and NGO sector are mainly not satisfied with municipal administration. The reason given is difficult economical and social condition at the area of the municipality and too big expectations from municipal administration to solve the problems of the economical development and employment.

The transparency and publicity in the work of the local governance is mainly respected while there are some deficiencies in the process of the informing the citizens which is caused by lack of the electronic and other media and lack of the financial sources and other objective reasons. Involving the citizens in the process of the decision making is on the low level probably due to the bad functioning of the local self governance and poor activities of the NGOs. Out of 7 there are only 3 local communities at the level of the municipality that are constituted (established) while other 4 are communicating with the municipality through the commissioner/representative.

VIII.1.) NGOs and associations of the citizens

Next NGOs and associations of the citizens are registered at the level of the municipality:

1. Municipal organization of red Cross which is established with an aim to implement the ideas of Red Cross movement and it is based on 7 principles: humanity, impartiality, independence, voluntarism, unity and universality.
2. Association of the citizens "Struga" which is established with an aim to assist the citizens and to protect their rights and increase a live stock fund,
3. Women association "Grahovo" is established with an aim to, through cooperation with local authorities, domestic and foreign organizations, solves the problems of employment of women, assists to children, old and weak people, provides material and educative assistance of its members and actively participates in the building of the democratic society,
4. Association of women "Runolist" is established with an aim to help people, returnees at the first place, through providing smaller donations and increase of the live stock fund,
5. Youth club "Sator" is established with an aim to organize a life of the youth and conducts the education of the youth,
6. Youth organization "Glasnici nade" is established with an aim to improve the life of the youth,

7. Bee keepers association "Grahovo" is established with an aim to reconstruct and improve the bee farming and production at the area of the municipality.
8. Hunting association "Grahovo" is established with an aim to develop and improve the hunting, care and protection of the wild animals as well as amateur sport activities,
9. Hunting association "Risovac" established with the same aim,
10. Scout association "Sova" is established with an aim to organize scouting activities and the membership personality development,
11. Association "Mala Privreda" which is established with an aim to improve relations and creates better conditions for trade, catering and handicraft businesses.

One number of the mentioned organization is not cooperating at all with local government or the cooperation is achieved rarely.

The best cooperation of local government is achieved with Municipal organization of Red Cross with whom the activities connected with the assistance for the social cases and elderly people are being implemented continuously and in coordination. Quite good cooperation is achieved with NGOs "Struga" Women association "Grahovo", Youth club "Sator and "Risovac" Huntin association. The cooperation with other NGOs and Associations of the citizens is weak due to their weak or general inactivity and lack of the initiative.

IX. SWOT analyses

STRENGTHS:

- Wealth in natural resources (forest, sand for building constructions, sand, peat, clay for bricks, drinking water, etc...),
- Opening towards domestic and foreign investments,
- Existence of the conditions for development of small and middle enterprises,
- Agricultural potentials for production of health food,
- Ecological healthy environment,
- Existence of the natural conditions for organization of the country, hunting, fishing and transit tourism,
- Advantageous geographical position of the local community,
- Relatively cheap labour.

WEAKNESSES:

- Lack of the human resources with needed qualifications,
- Non existence of the stronger companies – bearers of the development,
- General under development,
- Devastation and out dated equipment and technology in existing companies,
- Negative impact from privatization (big number of unemployed people)
- Small number of the young employees,
- Lack of the youth program,
- Lack of the media presence and obviously weak possibility of informing the population,
- Non existence of the resources for sport development,
- Lack of the management, especially in the area of the resources management,
- Bad ecological culture and management with the waste,
- Un adequately solved health and social protection,
- Bad quality of the water and generally problem of water supplying.

POSSIBILITIES:

- Local community is suitable and attractive from the foreign and domestic investors,
- Relatively cheap labour,

- Big possibilities of the development for various agricultural activities and rural development,
- Possibility of the organizing production of the more qualitative honey and other bee products (beeswax, beebread, propolis, etc...)
- Possible production of meat and milk,
- Possibility of bigger use of cultivated agricultural land,
- Possibility of organized informing of local community with new media.

TREATS:

- Political disunity at the level of federation, Canton and local community,
- Insufficient assistance from Federal and Cantonal governments in spite of the fact that we are extremely undeveloped local community,
- Political instability as obstacle to domestic and foreign investments,
- Negative relation of cantonal towards local community,
- The conditions for the self sustainable return are not being organized which presents a danger for massive social discontent,
- Impossibility to distinguish one self professionally due to the political non affiliation,
- Weak level of the return of the young population which creates bad demographical picture of local community,
- Delaying and bad implementation of the privatization process,
- Deterioration of demographic situation
 - Negative return of young people
 - Negative birth rate
 - Migrations cause by war and economical situation
 - Population growing old
- Deterioration of the economical and existential situation (unemployment, poverty)
- The time for attracting of the serious foreign financial investment has passed
- Reducing of the donors assistance

X. Vision statement

We will become the municipality of prosperity with high degree of employment and social security of population that offers big possibilities for development of the entrepreneurship and tourism with preservation of the ecologically clean and healthy life environment. The development of the entrepreneurship is based on the natural resources wealth and it will accelerate the return process of refugees and displaced population and create conditions for sustainable return and staying of especially young people. Active and efficient local government with full cooperation with citizens as partners will be open for development of sport, culture and new democratic values.

STRATEGIC GOALS

1. Increase of employment level
2. Improvement of the social protection of population
3. Creating conditions for development of the entrepreneurship
4. Creating conditions for development of the tourism
5. Preservation of the clean and healthy life environment
6. Increase of the ;eve; pf return of refugee and displaced population
7. Creating the conditions for life of youth
8. establishing of the active and effective local government
9. establishing and maintaining of partnership relations with citizens
10. Revitalization and improvement of the sport activities,
11. Improvement of the cultural activities
12. Promotion of new democratic values

ANNEX 1.: Action plan KPOR

Action plan

Of the commission for development planning of the municipality (KPOR) Bosansko Grahovo

A regular part of this plan is:

1. Assignment of the tasks according to the topics
2. The commission meetings plans
3. Plan of consultations with the trainers

Division of the tasks according to the topics:

- | | |
|--|------------------|
| 1. Geographical position | Galic Vojin |
| 2. Demographic situation and labour market | Prsa Zeljka |
| 3. Economical and business situation | Trkulja Svetozar |
| 4. Infrastructure | Lukac Stevan |
| | Trtic Andjelko |
| 5. Education | Perduh Slobodan |
| 6. Health and Social care | Perduh Slobodan |
| 7. Culture and Sport | Jojis Uros |
| 8. Local government and its partners | Zelic Danka |
| | Vukobrat Dragan |
| 9. Swot analyses | Trkulja Svetozar |

The Management group is made of 5 members:

- | | |
|---------------------|-----------|
| 1. Trkulja Svetozar | President |
| 2. Kudra Marina | Secretary |
| 3. Vukobrat Dragan | Member |
| 4. Prsa Zeljka | Member |
| 5. Jovic Uros | Member |

8 meetings of KPOR took place until 01.06.2004.

OSCE members participation

Bojan Ilija SCHnabl. Democratization officer present at 6 meetings (75%)

Nebojsa Bljajic, Management advisor, present at 4 meetings (50%)

Marinela Domancic, Management advisor, present at 2 meetings (25%)

Maja Babic, Democratization Officer Assistant, present at 4 meetings (50%)