



Bosnia and Herzegovina
Federation of Bosnia and Herzegovina
The Sarajevo Canton
Development Planning Institute of the Sarajevo Canton

Development Strategy of the Sarajevo Canton until 2020

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Sarajevo, August 2016



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The Sarajevo Canton Development Strategy was developed with the support of the Integrated Local Development Project (ILDP), a joint initiative of the Swiss Government and the United Nations Development Program (UNDP) in BiH. For technical support in drafting the Strategy, ILDP has hired Innova Management Consulting Ltd. Sarajevo, and the consultant Zdenka Marija Kovač.

The views and opinions expressed in the document do not necessarily reflect the views and opinions of the Swiss Government or of the UNDP.

The principle of gender equality is integrated into the document as one of the fundamental principles. In this regard, certain terms used in male origin (e.g. prime minister, head, etc.) are neutral and relate to both men and women.

Table of Contents

	Abbreviations	6
	Key Terms	9
	Introduction	11
I	Strategic framework	13
1	Situational Analysis statement	13
1.1	Geographic and historical characteristics	13
1.2	Geopolitical position, constitutional arrangement and territorial organization	16
1.3	Overview of Core Developmental Indicators of Sarajevo Canton	20
2	Sector analysis for Sarajevo Canton	22
2.1	Analysis model	22
2.2	Context and constraints for analysis making	23
2.3	The initial situation in the analyzed sectors of Sarajevo Canton	24
2.3.1	The initial situation in economy	24
2.3.2	The initial situation in social sector	30
2.3.3.	The initial situation in environment and public infrastructure	33
2.4	Trends in the vicinity of Sarajevo Canton	36
2.5	Estimation of external and internal environment	39
2.5.1	Estimation of external and internal environment for economy	39
2.5.2	Estimation of external and internal environment for social sector	41
2.5.3	Estimation of external and internal environment for environment and public infrastructure	42
2.6	Key strategic challenges and focuses for further development of Sarajevo Canton	44
2.7	Development vision	48
2.8	Strategic and priority objectives	49
2.9	Relation with planning documents	59
2.10.	Trends in budget spending of Sarajevo Canton	61
2.10.1	Overview of the previous period	61
2.10.2	Guidelines	65
II	Programme framework	69
1	Measures and projects according to strategic and priority objectives	69
1.1	Strategic objective 1	69
1.2	Strategic objective 2	92
1.3	Strategic objective 3	100
1.4	Strategic objective 4	122
1.5	Strategic objective 5	141
2	Indicative financial and term framework	156
3	Institutional and organizational framework for the implementation of the Strategy	163
4	Plan of monitoring, reporting, evaluation and revision of the Strategy	169
	List of Tables	170
	List of Figures	170
	List of Graphics	170
	List of Diagrams	171
	Enclosures	172

Abbreviations

Abbreviation	Full name
Æ	(Pipe) diameter
AER	Assembly of European Regions
AFIP	Agency for Financial, Information and Mediation Services
ASPSC	Amendments to the Spatial Plan of Sarajevo Canton
B/C/S	Bosnian/Croatian/Serbian language
BAS ISO 17025	International Standard of General Requirements for Competence of Testing and Calibration Laboratories
BEX	Business Excellence Index
BFP	Budget Framework Paper
BiH	Bosnia and Herzegovina
BU	Basic unit
CA BiH 2010	Classification of Activities
	A Agriculture, forestry and fishing
	B Mining and quarrying
	C Manufacturing
	D Electricity, gas, steam and air conditioning production and supply
	E Water supply; sewerage, waste management remediation
	F Construction
	G Wholesale and retail trade; repair of motor vehicles and motorcycles
	H Transportation and storage
	I Accommodation and food service activities (hotels and hospitality)
	J Information and communications
	K Financial and insurance activities
	L Real estate activities
	M Professional, scientific and technical activities
	N Administrative and support service activities
	O Public administration and defence; compulsory social security
	P Education
	Q Health and social care activities
	R Arts, entertainment and recreation
	S Other service activities
	T Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
	U Activities of extra-territorial organisations and bodies
CBR	Community based rehabilitation
CCI	Centre for Civil Initiatives
CCSC	Chamber of Commerce of the Sarajevo Canton
CDB	Cantonal Development Board
CEAP	Canton Environmental Action Plan
CEFTA	Central European Free Trade Association
CEKRIN	Centre for Creative Industries
CGF	Credit Guarantee Fund
CMB	Central Medical Block
CNG	Compressed Natural Gas
COFOG	Classification of the Functions of Government
CP	Civil Protection
CPC	Cantonal Public Company
CPUC	Cantonal Public Utility Company
CSW	Centre for Social Work
CTO	Chief Technology Officer
CVW	Civilian Victims of War
DVGW	Deutscher Verein im Gas- und Wasserfach/German agency for gas and water
EBRD	European Bank for Reconstruction and Development
EE waste	Electrical and electronic waste
EFTA	European Free Trade Association
EMIS	Energy Management Information System
ERASMUS	European Region Action Scheme for the Mobility of University Students
ESC	Economic and Social Council

EU	European Union
EUROSTAT	Statistical Office of the European Union – European Statistics
EUSAIR	EU Strategy for the Adriatic and Ionian Region
EUSDR	EU Strategy for the Danube Region
FBiH	Federation of Bosnia and Herzegovina
FHIF	Federal Health Insurance Fund
FIA	Financial Intelligence Agency
FOS	Federal Office of Statistics
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GDP/pc	Gross domestic product per capita/Gross domestic product per inhabitant
GIS	Geographic Information System
ha	Hectare
HBS	Household Budget Survey
HEI	Higher Education Institutions
IBHI	Initiative for a better and more humane inclusion
ICT	Information and communications technology
IFC	International Financial Corporation
ILDp	Integrated Local Development Project
ILO	International Labour Organization
IP	Information on Project
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Assistance in Rural Development
IT	Information technology
IUCN	International Union for Conservation of Nature
Kg/cap	Kilogram per capita
KM	Convertible Mark
km ²	Square kilometre
l/sec	Litres per Second
LAG	Local Action Group
LC	Local community
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale/Links between the rural economy and development actions
LEAP	Local Environmental Action Plan
LIS	Land Information System
LLL	Life Long Learning
LQ	Location quotient
m ³ /h	Cubic meter per hour
MBO	Mechanical and biological treatment
Mediver Cities	Mediterranean network of cities engaged for biodiversity
MIA	Ministry of Internal Affairs
mil.KM	Million Convertible Marks
MiPRO	Methodology for Integrated Local Development Planning
MSME	Micro Small Medium Enterprises
MW	Mega watts – unit of measure for heat
NATURA 2000	Network of Nature Protection Areas/Ecological network of protected areas in the European Union
NGO	Non Governmental Organization
NGO	Non Governmental Organization
NO ₂	Nitrogen dioxide
OCS	Civil society organizations
OST	Opioid Substance Therapy
PAS	Psychoactive substance
PE	Population Equivalent
PET packaging	Packaging of polyethylene terephthalate
PHP	Primary Health Care
PI	Public institution
PIP	Public Investment Program
PL	Protected landscape
PM ₁₀	Particulate matter of aerodynamic diameter 10 µm

PPP	Public-Private Partnership
PS	Primary school
PUC	Public utility company
R&D	Research and Development
RCC	The Regional Cooperation Council
RCUO	Regional Waste Management Centre
RTG	X-ray
RVI	War Veterans
S&C	Syllabus and Curriculum
SC	The Sarajevo Canton
SCA	Standard Classification of Activities
	A Agriculture, hunting and forestry
	B Fishing
	C Mining
	D Manufacturing
	E Electricity, gas, and hot water supply
	F Construction
	G Wholesale and retail trade; repair of motor vehicles and motorcycles, and personal and household goods
	H Hospitality
	I Transportation, storage and communications
	J Financial intermediation
	K Real estate, renting and business services
	L Public administration, community, social and personal service activities
	M Education
	N Health and social protection
	O Other public, community, social and personal service activities
	P Private households with employed persons
	Q Extraterritorial organizations and bodies
	00 Not allocated under SCA
SCADA system	Supervisory control and data acquisition
SDC	Swiss Agency for Development and Cooperation
SEE 2020	South East Europe 2020
SEETO	South East Europe Transport Observatory
SERDA	Sarajevo Economic Region Development Agency
SHPP	Small hydro power plant
SME	Small Medium Enterprises
SO ₂	Sulphur dioxide
SWOT	Strengths Weaknesses Opportunities Threats
t/yr	Tons per year
TENT	Trans-European Networks
TM	Theoretical and methodological (program)
TPP	Thermal Power Plant
UKCS	University Clinical Centre Sarajevo
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNSA	University of Sarajevo
UP	Urban plan
US	Ultrasound
USA	United States of America
USAID	United States Agency for International Development
VSS	University degree
WB	World Bank
ZOO	Zoological garden
ZZO KS	Health Insurance Fund of the Sarajevo Canton

Key Terms

Strategic platform	The fundamental part of the integrated development strategy of the Canton, which directs the long-term development of the entire territory of the Canton. The Strategic Platform, based on a comprehensive situational analysis, defines the strategic focus, vision and strategic goals and priorities for cantonal development for the planning period.
Situational analysis	Within the integrated development strategy of the Canton, it covers all important aspects of life and development of Canton territory (cross-sectoral character) and represents the main base used to create a strategic platform, i.e. development vision, strategic goals and priorities, as well as the program part of the integrated development strategy of the Canton. Situational analysis presents the current situation in all areas of development, key positive and negative trends and projections for the future period, i.e. identifies the key strategic issues that the strategy should focus on and respond to.
Strategic Focusing	Focusing the development paths on potentials that are most promising in terms of development and the most critical issues, ensuring that scarce resources are utilized in the most effective way.
Development vision	A picture or draft of the future, that is, the common perspective of actors about the kind of community they want to build in the next long-term period.
Strategic objective	It comes from the development vision and defined strategic focus. A strategic goal represents what is to be achieved in a given planning period, i.e. represents the area within which there is a need for action.
Priority	Indicates key fields and directions of action for achieving a strategic goal within the Canton development strategy.
Measure	It represents a set of activities/programs/projects aimed at focused action on improving the situation in a narrower development area or within a narrower group of end-users in a given period. A measure defines problem/needs in a narrower development area or within a narrower end-user group, determines a set of activities to be targeted, measurable results and indicators, time frame, responsibility of activity holders and a financial framework with projection of funding sources.
Project	A means of organizing interrelated activities in order to achieve predefined goals within a given time frame and a defined financial framework with clearly defined responsibilities for the implementation.
Three Year Action Plan	It defines measures, programs/projects and activities in the implementation of strategic documents, their financial framework and funding sources in a three year period, according to the principle 1+2. It is a standard element of all the strategic documents that enables the integration of the foreseen priorities with the budget and the public investment program on the one hand, and provides the basis for the preparation of the three-year and annual plans of the cantonal institutions on the other hand.
Indicator	It indicates the type and level of changes that are directly realized through the implementation of measures, programs and projects, and serve as a qualitative and quantitative indicator of the level of achievement of defined development goals.
Monitoring	Systematic and continuous collection, analysis and use of data and indicators for the purpose of measuring the progress of achievement of the set objectives/measures/programs/projects and progress in using assigned resources and taking appropriate measures with the aim of possible corrections.
Evaluation	A process that determines the value and importance of an intervention, i.e. of measures, programs, projects or an overall development strategy, according to predefined indicators.
Outcome indicator	It provides information on the impact and results of the program and their outputs, progress in achieving priority objectives and success or failure of a priority objective, i.e. it describes the extent of the achieved priority objectives. This is an indicator at the level of priority, an indicator of final result or effect (<i>outcome</i>).
Output indicator	It describes what is realized or produced by project or activity and to what extent, and which services are provided. It may reflect the quantity of units of measure realized within an individual project or activity that

contributes to the achievement of one or more projects, in the case where the measure has several goals. This is an indicator on the level of measure, an indicator of the achieved short-term result (output).

Impact indicator (impact, effect) It measures the long-term consequences of a set of strategic activities This is an indicator at the level of a strategic goal; it measures strategic goals related to the development of a particular territory (e.g. literacy rate, GDP/pc, development index, etc.).

Development impact of a measure It shows the direct contribution of one or more projects under the same measure of achievement of targeted values at the level of priority and strategic goals.

Holders Institutions participating in the implementation of the measure where the first mentioned institution coordinates the implementation of the measure.

Introduction

The Sarajevo Canton Development Strategy by 2020 is a strategic document that directs development, identifies development priorities and represents a road map for overall development of the SC, taking into account all its dimensions: economic, social, environmental and spatial.

The SC Development Strategy informs the general public and investors on the strategic development path of the SC. The Strategy provides the basis for drawing up plans and programs in particular sectors, creating the basis for monitoring progress and encouraging mutual co-operation in planning between different levels of government and socio-economic partners.

The Development Strategy defines the goals and priorities of the SC development, the way of their realization, the financial and institutional framework for implementation, monitoring, evaluation and reporting.

Strategic development planning requires the European practice and dynamics of strategic planning, and the use of funds from EU pre-accession funds requires the obligation to draft strategic development documents. The document is prepared in line with the European practice and dynamics of strategic planning (period up to 2020). The obligation to draft the strategy is also required by new legal solutions in the area of development planning in FBiH. The adoption of the Law on Strategic Planning and Development Management in the FBiH and the amendment of the Regulation of the Government of the Federation of BiH which regulates the issues of strategic planning is under way.

The CS Development Strategy by 2020 is a planning document that aims to evaluate the external and internal environment, create the development vision and goals, and thus develop the basis for public policies that are implemented through appropriate projects in areas important for economic, social and environmental development and ensure the use of public resources to support development goals, policies and development projects of CS.

The Strategy is the basis for making operational decisions on public investment, undertaking measures for economic, social and environmental development and providing the necessary resources for their implementation, i.e. the development management tool for Canton and the CS Budget. The CS Development Strategy is the basic document for the development of sectoral strategies, the Framework Budget Paper, the Budget and the Public Investment Program of SC, the three-year work plan of cantonal ministries and the annual work program of the Government of CS.

The Assembly of SC adopted the Decision to Initiate the Preparation of the Development Strategy of CS for the period 2014 to 2020, in May 2014.¹ The aforementioned Decision establishes that the Holder of preparing for the preparation of the Strategy is the CS Government, and the Holder of preparing the Development Strategy is the Development Planning Institution of SC. The Decision, inter alia, foresees the formation of operational and consultative bodies in the development planning process. The key operational body is the CDB, responsible for conducting the Canton-level planning process, which ensures horizontal coordination between all Canton-level institutions, as well as vertical coordination with local self-government units within the Canton and higher levels of government. The CDB was formed by the SC Government², whose members, apart from the CS Development Planning Institute, as coordinator, are representatives of all Ministries, the City of Sarajevo and the Municipalities, the SC Chamber of Commerce, SERDA, the Federal Development Planning Institute, the non-governmental sector, academic community, etc.

The preparation of the Strategy was carried out in a wide consultation process through a series of meetings and workshops of the CDB, contributions of the CDB members and discussions with key development actors.

¹„Official Gazette of SC“, no. 20/14

²„Official Gazette of SC“, no. 38/14, Amendments to the CDB "Official Gazette of SC" No. 34/15

The Strategic Platform, as the core part of the Strategy, was supported at the extended ESC meeting on 29 September 2015 and at the 17th session of the SC Government, held on 8 October 2015.

The Strategic Platform was made based on the following inputs:

- Detailed Situational Analysis of the SC (Economic, Social, Environmental and Infrastructure Development), April/May 2015.
- Prime Minister's Commentary: Courses of action of the SC Government in the period 2014-2018, March 2015.
- European Documents:
 - EU 2020 – European Strategy for Smart, Sustainable and Inclusive Growth, European Commission, March 2010.
 - SEE 2020 – Strategy for South East Europe by the end of 2020: Jobs and Prosperity in the European Perspective, Regional Cooperation Council, October 2013.
 - Compact for Growth and Jobs in BiH, European Commission, July 2014.
 - Adriatic-Ionian Initiative: For a prosperous and integrated Adriatic-Ionian region, European Commission, June 2014.
 - The EU Strategy for the Danube Region, Danube Strategy - Joint Responses to Common Challenges, European Commission, December 2010.
- Conclusions, recommendations, reports and audio records from the workshops of the CDB.
- Draft of "Social Entrepreneurship in the Sarajevo Canton" Study, IBHI, July 2015.
- Draft of "Strategic Orientation of Economic Development of the Sarajevo Canton, Phase I" Study, CEDES, July 2015.
- SWOT Analysis Sector Reports, including sublimated findings of the Situational Sector Analysis, Conclusions of Sector Workshops, the governmental commitments, and European developmental commitments, structured according to 5 steps of the SWOT Process: the starting point of development, trends in wider environment, possible impact on the future Economic Development framework of SC, opportunities and threats, key own strengths and weaknesses, synthesis and key focus of necessary action.
 - SWOT Analysis Report for Economic Development, June 2015.
 - SWOT Analysis Report for Social Development, June 2015.
 - SWOT Analysis Report for Environment/Infrastructure, June 2015.
- Synthesis of the results of the integrated SWOT analysis for the CS, June 2015.
- Strategic Guidelines for the SC Budget Consumption Movements in the Next Period, June 2015.
- Reform Agenda for Bosnia and Herzegovina for the period 2015-2018, BiH Council of Ministers, July 2015.

All the processes of drafting the Strategy resulted in a vision of the development of the SC:

Vision of development of the SC 2020

The Sarajevo Canton is a European, dynamic, creative and culturally diverse region of pleasant living and profitable business

With the aim of creating a mechanism for achieving the vision of development, five strategic directions for KS operations by 2020 were defined to ensure the link between concrete future actions and the vision of development:

Strategic directions of action of the SC 2020. - strategic goals:

1. To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services
2. To increase employment and create new, better-rated, jobs
3. To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services
4. To manage the environment, space, natural and infrastructural resources in a responsible manner
5. To improve the development management system of the Sarajevo Canton

It is important to emphasize that the Development Strategy encompasses a list of priority measures according to each priority objective, which enables achievement of set goals through implementation of projects and activities, thus creating the basis for the overall implementation of the Development Strategy.

The prerequisite for quality and timely implementation of the Development Strategy is to have its importance recognized by the overall community and higher levels of government, but also to strengthen the mechanisms envisaged by the Development Strategy for its implementation, reporting, updating and overall operationalization, which is the task facing the SC in the forthcoming period. The implementation of the Development Strategy will be monitored on an annual basis. Also, the achieved results will be evaluated through general progress in the future.

I Strategic framework

1 Situational Analysis statement

1.1 Geographic and historical characteristics

The area of the Sarajevo Canton occupies the central position in Bosnia and Herzegovina. This is the area where East and West, North and South meet, and the layers of history permeate the diversity of different cultures and their spiritual and material sediments.

In the area of Sarajevo there are objects or remains of objects of particular importance, natural sights and rare, valuable forest and non-forest ecosystems or individual facilities which, combined with especially valuable water and watercourses, objects of cultural and historical importance, geomorphologic and hydrological monuments, sport-recreational and sporting areas, thermal spas, give a space the character of an attractive natural heritage object. The natural features give the space the character of authenticity, representivity, diversity, integrity, landscape and spatial values that have a great scientific, educational, cultural, educational, social, economic, developmental, ecological significance and function.

Sarajevo is located and was formed in the Sarajevo-Zenica valley, which is located between the Pannonian Basin in the north and the Mediterranean in the south, compared to the two larger natural units. The favourable geographic position of Sarajevo has been determined by the combined action of natural elements and social factors. In this area various civilizations and peoples were encountered, which left a specific colour. The natural factor had the dominant influence that this space would be the intersection of the roads, with the alternate change of importance of particular directions, depending on the current social events. Thus, by the valley of the river Bosna, Sarajevo is connected with the Danube Region and Central Europe in the north, and by the valley of the Neretva River, with the Adriatic Sea and the Mediterranean in the south. The valley of the Lašva and Vrbas rivers connects it with Western Europe, and the valleys of the Miljacka River and Prača with Eastern Europe. These natural corridors today are travelled by communications, both roads and railways, and their modernization would connect Sarajevo faster with neighbouring countries, and more fully valorised its cultural and historical heritage.

Corridor Vc is the main factor for the integration of the Sarajevo Canton and Bosnia and Herzegovina into the European traffic routes in the north and with the sea in the south. Air traffic connects Sarajevo with the whole world.

Figure 1 The SC and BiH in Europe



History of Sarajevo is over 4.5 million years old. Life in the Sarajevo area is continually evolving from the Neolithic. Urbanization of Sarajevo valley begins at the time of Roman domination in the first century of our era. In the middle of the 13th century, in the area of today's Sarajevo, there was formed a significant administrative, trade, traffic and craftsmanship centre of the Vrhbosna parish, or medieval Bosnian state.

In the mid-15th century, a number of necessary and sufficient conditions were created for the transformation of the then settlement structure into an urban settlement.

As the founding date of Sarajevo, we take February 1462, when important objects of urban identity with Ishak-bey's vakufnama (waqfiyya) were donated for the general benefit.

The name Sarajevo was first mentioned in 1477 in one vakufnama, written in Arabic, by the then ruler of the Bosnian sandjak Ajas-bey, and in our language this name was first mentioned in 1507 in the letter of the Bosnian ruler Firduz-bey to Dubrovnik people.

The Sarajevo Canton occupies the central position in Bosnia and Herzegovina. This is the area where East and West, North and South meet, and the layers of history permeate the diversity of different cultures and their spiritual and material sediments.

Population and geographic position: The Sarajevo Canton is located in the south-eastern part of Bosnia and Herzegovina and is one of the ten Cantons in the Federation of Bosnia and Herzegovina; it occupies an area of 1,276.9 km², which represents 4.9% of the territory of the FBiH, where 444.851 inhabitants live, i.e. 19% of the population in the FBiH. It is located between 43⁰35' and 44⁰7' north latitude (N.Lat) and between 18⁰0' and 18⁰38' east longitude (E.Long).

Sarajevo is located and was formed in the Sarajevo-Zenica valley, which is located between the Pannonian Basin in the north and the Mediterranean in the south, compared to the two larger natural units. The favourable geographic position of Sarajevo has been determined by the combined action of natural elements and social factors. In this area various civilizations and peoples were encountered, which left a specific colour. The natural factor had the dominant influence that this space would be the intersection of the roads, with the alternate change of importance of particular directions, depending on the current social events. Thus, by the valley of the river Bosna, Sarajevo is connected with the Danube Region and Central Europe in the north, and by the valley of the Neretva River, with the Adriatic Sea and the Mediterranean in the south. The valley of the Lašva and Vrbas rivers connect it with Western Europe, and the valleys of the Miljacka river and Prača with Eastern Europe. These natural corridors today are travelled by communications, both roads and railways, and their modernization would connect Sarajevo faster with neighbouring countries, and more fully valorised its cultural and historical heritage.

Corridor Vc, which is the main factor for the integration of the Sarajevo Canton and Bosnia and Herzegovina into the European traffic routes in the north and with the sea in the south.

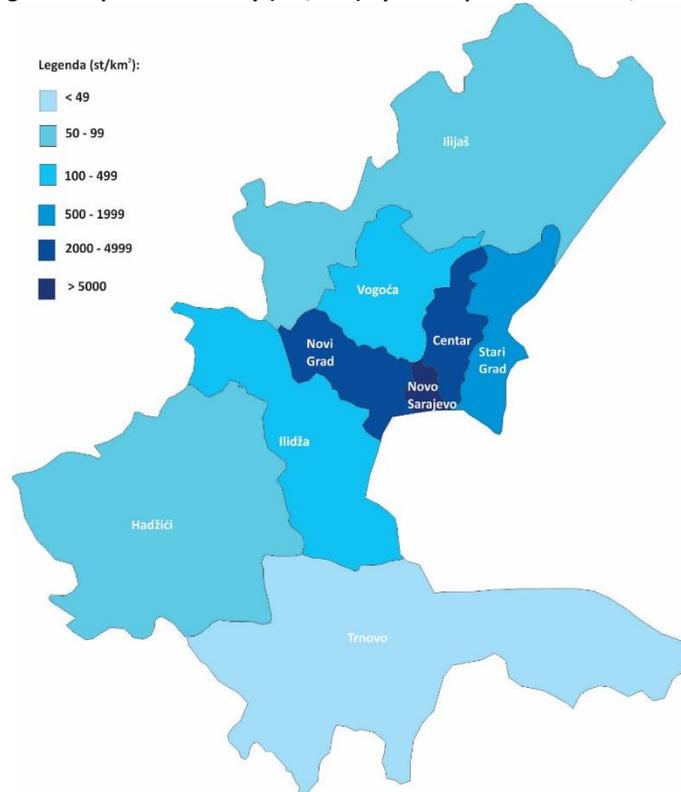
Table 1 Population 2009-2014.

	2009	2010	2011	2012	2103	2014
The Sarajevo Canton	423.645	436.572	438.757	440.744	442.669	444.851
FBiH	2.327.318	2.337.660	2.338.270	2.338.277	2.337.200	2.336.722

The number of inhabitants in the Canton recorded a growth rate of 1.0% per annum on average between 2009 and 2014, which is also the largest growth rate in the Federation of BiH, where the population as a whole recorded a slight increase at a rate of 0.1%.

The Sarajevo Canton, with an average population density of 348 inh/km² is the most populated Canton in the Federation of BiH, about 3.9 times the average density of the population of the Federation of BiH.

Figure 2 Population density (inh/km²) by municipalities of the SC, in 2014



During the observed period in the Sarajevo Canton, as well as in the Federation of BiH, changes in the age structure are taking place in the direction of reducing the share of the younger population and increasing the older population over 65.

In 2014, the share of the young population (0-14 years) is 15.8%, the labour force is 67.8% and the population aged 65 and over is 16.4%. In the Federation of BiH, the share of the young population is 14.3%, less than in the Sarajevo Canton, the labour force is 69%, and the population older than 65 years is 16.7%, more than in the Sarajevo Canton.

Table 2 Vital Characteristics of the Population (rates in per mille)

Indicators	2009		2010		2011		2012		2013		2014	
	SC	FBiH										
Natality	11,2	9,7	10,8	9,5	10,6	8,9	10,8	9,0	10,1	8,6	10,3	8,3
Mortality	8,9	8,0	8,9	8,1	9,0	8,4	8,5	8,3	8,9	8,4	8,8	8,2
Natural growth	2,3	1,7	1,9	1,4	1,6	0,5	2,3	0,7	1,2	0,2	1,5	0,1

The natality rate is 10.3 per mille, the mortality rate is 8.8, and the natural growth rate is 1.5 per mille. In the Federation of BiH, the natality rate is lower and is 8.3 percent, the mortality rate is also lower, 8.2 per mille, and the natural growth rate is significantly lower and is 0.1 per mille.

The Vital Index is above 1, or more precisely, 1.17, indicating still significant vital characteristics of the Canton population, and is higher than the vital index of the Federation of BiH, which is 1.02.

The Sarajevo Canton shows itself in the Federation of BiH as the Canton with the most expressed demographic characteristics.

Relief is quite jagged and belongs to a hilly-mountainous type, with altitudes ranging from 450 to 2,067 m and an average altitude of 537 m. Sarajevo offers the possibility of various and rich contents for tourist stay throughout the year. Natural conditions favour the organization of summer and winter recreation in mountain ranges of Bjelašnica, Igman, etc. There are also rich hunting areas, attractive caves, cliffs, canyons, waterfalls and lakes. The mountains of Sarajevo represent the best quality parts of BiH for the development of winter sports and winter tourism.

As a whole, 78% of the Canton's territory falls into a mountainous region above 700 meters above sea level (masl), 13% of the terrain belongs to the hilly region of 550 to 700 masl, and only 9% of the area belongs to the lowland region of up to 550 masl.

Climatic characteristics: The area of the SC features two climatic types. Up to 600 m above sea level there is a continental climate, while the continental-mountain type and alpine climate type are elevated above this height.

Drinking, mineral, thermal and thermo mineral waters are the most significant **natural resource** of the Sarajevo Canton and the basis for the development of a range of activities in accordance with sustainable development settings.

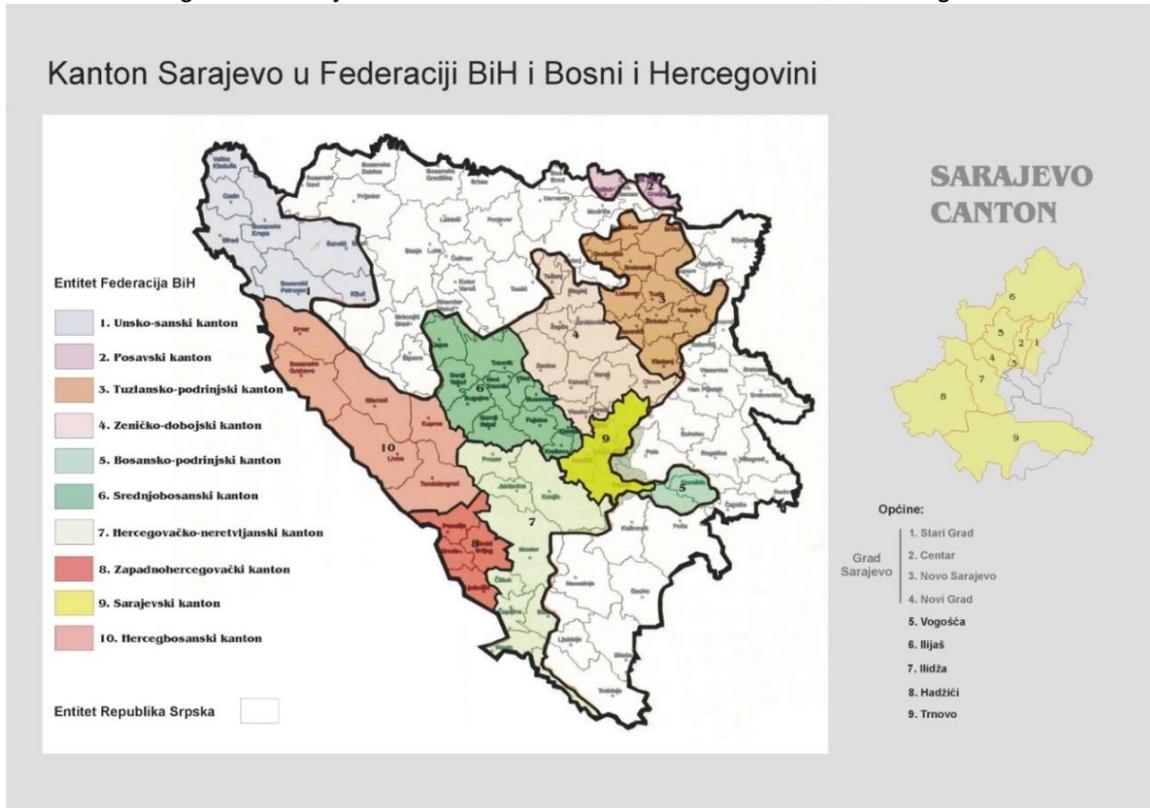
1.2 Geopolitical position, constitutional arrangement and territorial organization

The geopolitical position of Sarajevo is determined by the position of Sarajevo and its role as the capital of Bosnia and Herzegovina and of the Federation of Bosnia and Herzegovina, i.e. the functions it performs in that capacity.

Sarajevo is the location of the Parliament of Bosnia and Herzegovina and the Parliament of the Federation of Bosnia and Herzegovina, the Government of Bosnia and Herzegovina and the Government of the Federation of Bosnia and Herzegovina, the courts and other institutions of state and federal importance, numerous diplomatic and consular missions and commercial representative offices, representative offices of international institutions and organizations operating in BiH, etc.

Sarajevo is an administrative-political, economic, financial, educational-scientific-research-, health centre, a cultural centre of the state, an Olympic city.

Figure 3 The Sarajevo Canton in the Federation of BiH and in Bosnia and Herzegovina



Based on the Constitution of the Federation of Bosnia and Herzegovina³, the Assembly of the SC at the session held on 11 March 1996 adopted the Constitution of the Sarajevo Canton, which regulates the organization and status of the SC, its competencies and the structure of the government.

The territory of the Sarajevo City, which entered into the FBiH by the Peace Agreement for Bosnia and Herzegovina, signed in Paris on 14 December 1995, has been organized as a Canton in accordance with the Constitution of the FBiH and the Constitution of the SC. The official name of this canton is the Sarajevo Canton, and its headquarters are in Sarajevo.

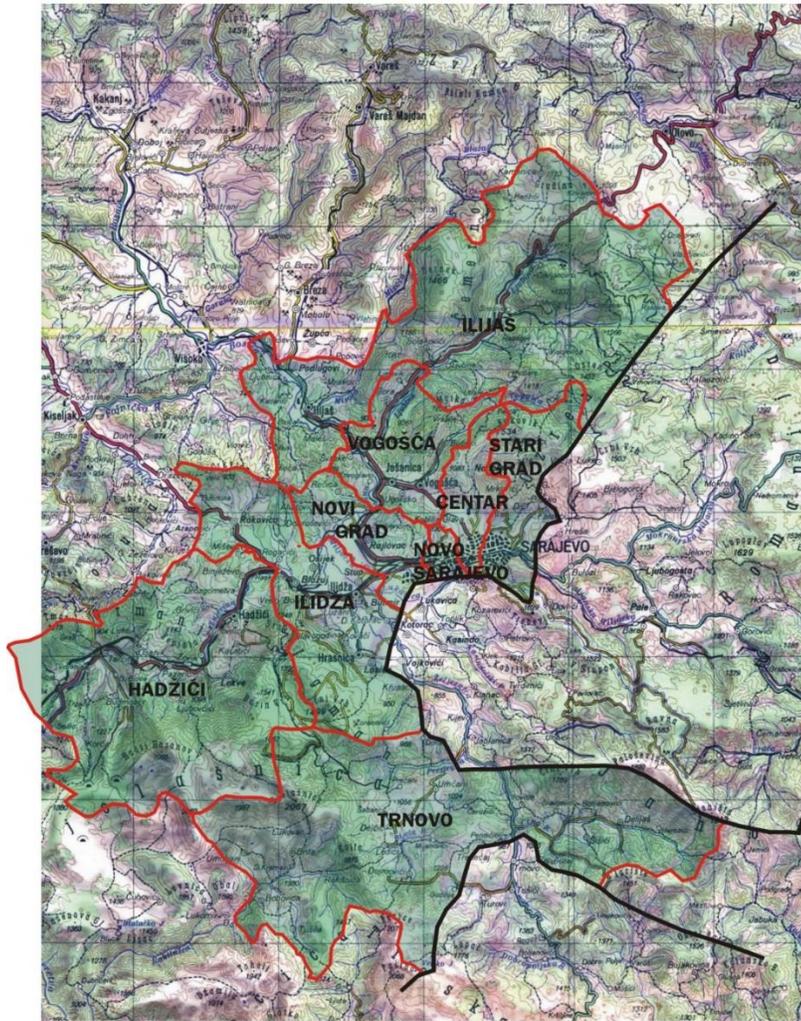
The territory of the Canton covers the areas of the municipalities of Centar Sarajevo, Hadžići, Ilidža, Ilijaš, Novi Grad Sarajevo, Novo Sarajevo, Stari Grad Sarajevo, Trnovo and Vogošća, as established by the Peace Agreement.

In the Sarajevo Canton, them municipalities of Centar, Novi Grad, Novo Sarajevo and Stari Grad form a local self-government unit, the City of Sarajevo. The jurisdiction and internal organization of the City are regulated by the Statute of the City.

Sarajevo is the capital of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina, as defined in their Constitutions.

³ "Official Gazette of the Federation of BiH", No. 1/94

Figure 4 The Sarajevo Canton



The Canton has the competencies established by the Constitution of the Federation of BiH and the Constitution of the Sarajevo Canton. The Canton has all the competencies not explicitly entrusted to the Federal Government, as established by the Constitution of the Federation of BiH.

The exclusive competencies of the Sarajevo Canton are:

- Establishment and monitoring of police forces;
- Definition of the educational policy, including the adoption of regulations on education and enduring education;
- Definition and implementation of the cultural policy;
- Definition of housing policy, including the adoption of regulations related to decoration and construction of housing objects;
- Definition of policy related to regulation and provision of public services;
- Adoption of regulations on the use of local land, including zoning;
- Adoption of regulations on improving local business and charity activities;
- Adoption of regulations on local energy production facilities and ensuring their availability;
- Definition of policy related to the provision of radio and television, including adoption of regulations on ensuring their work and construction;
- Implementation of social policy and establishment of social protection services;

- Creation and application of tourism policy and tourism resource development;
- Creation of preconditions for optimum economic development that is appropriate to an urban environment;
- Financing the activities of cantonal authorities or cantonal agencies by taxation, borrowing or other means.

Common competencies with the Federation of BiH

The Canton, together with the Federation of BiH, independently or in coordination with the Federal authorities, carries out the following competencies:

- Guaranteeing and enforcement of human rights;
- Health care;
- Human environment protection policy;
- Communication and transport infrastructure in accordance with the Constitution of the Federation BiH;
- Social policy;
- Implementation of laws and other regulations on citizenship and travel documents of BiH citizens from the territory of FBiH and on the stay and movement of aliens;
- Tourism;
- Use of natural resources.

The Sarajevo Canton became a member of the Assembly of European Regions (AER) in 2005, and was proclaimed a European Region in 2006, which brings it back to the order of European metropolises and promoting it as a place of pleasant living and profitable business. This was followed by the opening of the representative office in Brussels in 2007.

The main objective of the Office's in Brussels, as the field office of the Sarajevo Canton Government, is representation in international relations to the relevant institutions of the European Union (European Commission, European Parliament and the EU Committee of the Regions), European interest networks and other regional representative offices in Brussels, and promotion of economic, cultural and tourist potentials of the Sarajevo Canton.

The Sarajevo Canton focuses its strategy on strengthening international institutional regional cooperation with other European regions and relevant institutions at the European Union level. The Sarajevo Canton thus becomes the leading Canton in the Federation of BiH with the most developed international cooperation (inter-regional, bilateral, multilateral and cross-border) and numerous activities in the EU integration process, through which the knowledge and experience were acquired in regional development and preconditions created for quality preparation, nomination and implementation of projects from the EU and other financial funds.

Under the slogan "*Sarajevo Canton - one step closer to the EU*" The Sarajevo Canton Office continuously conducts a promotional campaign towards relevant European institutions and other European regions, and since 2007 it represents the Canton of Sarajevo at all international events of European regions in the capital of the European Union.

The Regional Office of the SC in Brussels has acted as a field Office of the Government and the Institutions of the Sarajevo Canton towards the institutions of the European Union and other European regions and associations, with the main aim of promoting the economic, cultural, tourism potentials, as well as all other comparative advantages that the Sarajevo Canton as a European region can offer to its partners.

1.3 Overview of Core Developmental Indicators of SC

Sarajevo Canton, with the area of 1,276.9 km² is one of the smaller Cantons in the Federation of BiH, and occupies only 4.9% of the territory of the Federation BiH. By mid-2014, there were 444,851 inhabitants in the SC area, which is about 19% of the population of the Federation of BiH.

The Sarajevo Canton, with an average population density of 348.3 inh/km² is about 3.9 times above the average density of the population of the Federation of BiH and the most populated Canton in the Federation of BiH.

All the parameters of the SC vital statistics are higher than the FBiH parameters: the natality rate is 2 percent higher, the mortality rate 0.7 percent higher, and the rate of natural growth 1.3 percent higher than the rates in FBiH.

At the end of 2014, there were 125,921 employees in the KS, which is the highest concentration (28.1%) of jobs in FBiH. The employment rate of the total population of KS is 28.3%, which is about 50% higher than the achieved rate in FBiH.

During the same period, there were 71,415 unemployed in the SC area, which is about 18.2% of the unemployed in the Federation of Bosnia and Herzegovina. The registered unemployment rate in the SC is 36.2% and is about 10 percentage points lower than the rate registered in FBiH.

Table 3 Comparative Indicators of Sarajevo Canton and Federation of BiH, 2014

Basic Indicators	The Sarajevo Canton	Federation of BiH	The relationship between SC and FBiH
Area (km ²)	1.276,9	26.109,7	4,9
Population density (inh/km ²)	348,3	89,5	3,9
Total Population (Mid Year)	444.851	2.336.722	19,0
<15	70.412	390.115	18,0
15-65	301.456	1.611.718	18,7
>65	72.983	334.889	21,8
Natality rate (per 1,000 inhabitants)	10,3	8,3	1,24
Mortality rate (per 1,000 inhabitants)	8,8	8,1	1,086
Natural growth rate (per 1,000 inhabitants)	1,5	0,2	7,5
Number of employees (XII)	125.921	448.720	28,1
Employment rate of population (%)	28,3	19,2	1,47
Number of unemployed (XII)	71.415	392.265	18,2
Unemployment rate of total population (%)	16,1	16,8	0,96
Unemployment Rate of labour force (%)	23,7	24,3	0,975
Unemployment rate (%)	36,2	46,6	0,777
Labour force	197.336	840.985	23,5
Average net salary in KM (XII)	1.050	847	124,0
Gross Domestic Product (in 000 KM)	6.207.821	17.159.815	36,2
Gross Domestic Product per capita - GDP/pc in KM	13.955	7.344	1,9
Registered Businesses	32.272	129.315	25,0
Index of physical volume of industrial production	99,2	106,7	0,93
Index of manufacturing industry	101,7	108,4	0,94
Number of tourists	301.319	575.566	52,4
Number of overnight stays	579.553	1.094.986	52,9
Exports (000 KM)	917.503	5.778.901	15,9
Imports (000 KM)	3.692.006	10.353.991	35,7
Foreign trade volume (000 KM)	4.609.509	16.132.892	28,6
Export-import coverage rate (%)	24,9	55,8	0,45
Paid out investments in 000 KM (2013)	1.143.885	3.097.552	36,9
Realized investments in 000 KM (2013)	1.029.177	3.080.581	33,4
Number of business entities (enterprises)	6.345	20.736	30,6
Income (in mil. KM)	15.526	39.925	38,9
Expenses (in mil. KM)	15.555	39.279	39,6

Basic Indicators	The Sarajevo Canton	Federation of BiH	The relationship between SC and FBiH
Net profit (in mil. KM)	574	1.826	31,4
Loss (in mil. KM)	599	1.205	49,7
Number of primary school students (school year 2014/2015)	35.889	194.867	18,4
Number of high school students (school year 2014/2015)	17.904	96.331	18,6
Number of students (school year 2014/2015)	34.069	71.873	47,4
Number of medical doctors	1.433	4.625	31,0
Number of dentists	259	576	45,0
Number of pensioners	85.768	336.898	25,5
Number of protected areas	4	10	25,0
Area of protected natural areas (ha)	2.930,3	83.352,5	3,5

Source: Statistical-Documentation Basis of the Development Planning Institute of the Sarajevo Canton

In the area of the SC, in 2014, the realized value of GDP amounted to 6.2 billion KM, which is 36.2% of the gross domestic product achieved in FBiH. The average realized gross domestic product per capita is 13,955 KM, and, according to this development indicator, the SC development is about twice as high as the FBiH average.

In the area of the SC, about 37% of investments in FBiH were paid out, and 33.4% of total investments in FBiH were realized.

Total registered business entities in the area of the SC, 32,272 in total, represent 25% of business entities of the Federation.

In 2014, 301,319 tourists visited the SC, representing 52.4% of the total number of tourists who visited FBiH.

In the course of 2014, in the SC, imports amounted to about 3.7 billion KM or 35.7% of the total imports of FBiH. During the same period, the total export of goods and services from the area of SC amounted to 917.5 million KM, or 15.9% of the total realized exports of FBiH. The import-export coverage ratio in the SC is 24.9%, and is significantly lower than that achieved in the FBiH.

According to all business indicators, the SC has a dominant share in FBiH. More than a quarter of business entities that keep the bookkeeping in line with the chart of accounts for business entities (companies) from the FBiH area, are located in the SC. Business entities of the SC make about 39% of total revenues and expenditures realized in FBiH. At the same time, they generate about 50% of the total loss and about 31% of the net profit realized at FBiH level.

At the beginning of school year 2014/2015, the KS area had 35,889 primary education students, which is 18.4% of the total number of FBiH primary education students. Secondary schools are attended by 17,904 students, accounting for 18.6% of the total number of secondary school students in FBiH. There are 34,069 students enrolled in the Sarajevo Canton, which is over 47% of the total number of FBiH students.

In 2014, there were 1,433 physicians in the KS, which is 31% of the total number of medical doctors in the FBiH, and 259 dentists or 45% of the total number of dentists in FBiH.

According to the above indicators, the Sarajevo Canton in the Federation of Bosnia and Herzegovina is a significant area of concentration of economic potentials (population, employment, unemployment) as well as of the effects of development (employment rate, foreign trade volume). The highest gross domestic product per capita in the FBiH is realized in the SC. It is the largest educational, health and tourist centre in the Federation of BiH.

According to the index of development, which sublimates the level of development measured by the level of employment of the population, the unemployment rate, the number of students per thousand inhabitants,

GDP/pc, and the absent population index, the SC is ranked first, with an index value that is over 38% above the average development of the FBiH.

Table 4 Level of Cantonal Development in FBiH in 2014

Cantons	Employment rate (%)	Unemployment rate (%)	Number of students (prim.+sec.) per 1000 inhabitants	GDP/pc	Absent population index	Federation BiH = 100.0					Development index	Rank
						Employment rate	Unemployment rate	No. of students per 1000 inhabitants	GDP / pc in KM	Absent population		
Una-Sana C.	11,2	59,0	125	4.419	-16,6	58,9	74,1	100,1	60,2	91,5	76,9	8
Posavina C.	14,6	49,6	113	5.769	-39,2	77,0	94,2	90,9	78,6	-56,6	56,8	10
Tuzla C.	16,3	54,8	118	5.363	-4,8	86,0	83,2	94,8	73,0	168,5	101,1	4
Zenica-Doboj C.	17,5	50,3	128	6.125	-17,0	92,2	92,8	102,5	83,4	88,7	91,9	5
Bosnian-Podrinje C.	19,9	36,0	97	6.993	-21,8	104,9	123,2	78,2	95,2	57,3	91,8	6
Central-Bosnia C.	16,1	50,6	139	5.163	-25,5	84,9	92,0	111,8	70,3	33,3	78,5	7
Herzegovina-Neretva C.	21,5	41,2	126	8.428	-16,3	113,3	112,1	101,1	114,8	93,4	107,0	3
West-Herzegovina C.	20,1	40,1	158	6.104	-8,4	106,0	114,6	126,7	83,1	145,1	115,1	2
Sarajevo C.	28,1	36,3	121	13.955	-9,8	148,1	122,5	96,8	190,0	135,6	138,6	1
Canton 10	12,1	49,9	102	5.474	-32,4	63,6	93,6	82,1	74,5	-12,2	60,3	9
Federation BiH	19,0	46,9	125	7.344	-15,3	100,0	100,0	100,0	100,0	100,0	100,0	

Source: Federal Development Planning Institute, Socioeconomic Indicators by Municipalities in FBiH, 2015

2 Sector analysis for SC

2.1 Analysis model

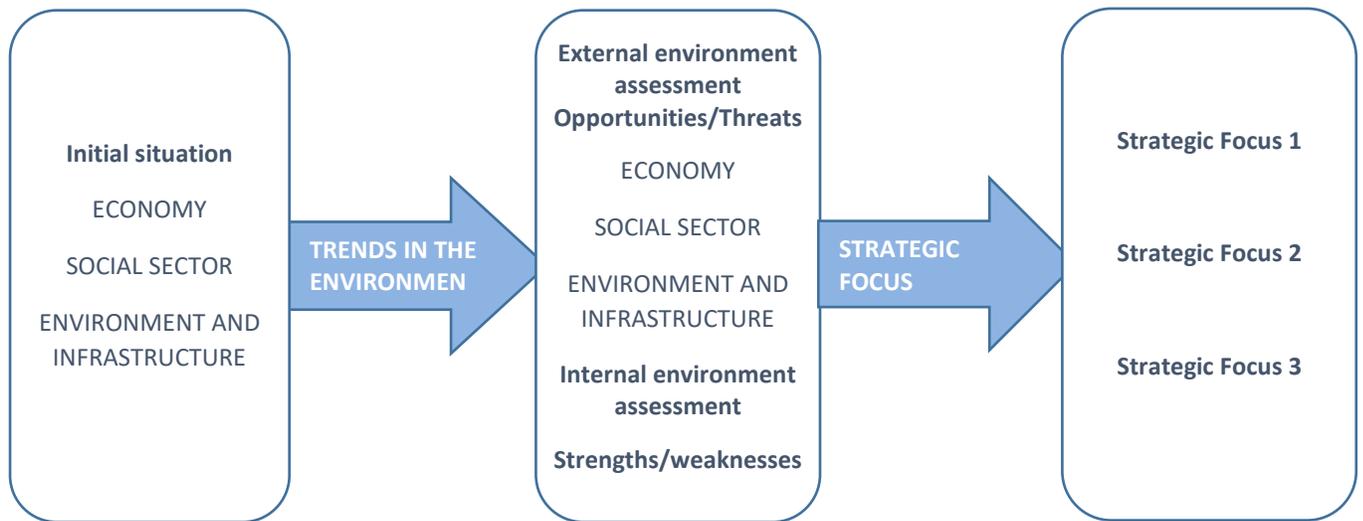
Sector situational analysis was conducted using a SWOT tool that evaluates the external environment with the opportunities and threats generated by it and the internal environment with the strengths and weaknesses that affect the development of the SC, i.e. different actors involved in the preparation and implementation of the Development Strategy of the SC by 2020. Based on the SWOT analysis, the strategic focus of the Strategy is suggested, which will maximize the use of opportunities, i.e. prevent threats on the basis of construction or use of already built strengths.

In the context of a strategic approach to development planning, taking into account the concept of work on the strategy, a model of synthesis of results obtained by SWOT analysis has been developed, incorporating five elements, namely:

- 1) overview of the current situation in the SC,
- 2) research of trends in external environment (global, EU, regional, and in BiH) that may impact on SWOT Analysis for the SC,
- 3) analysis of the external environment of the SC,
- 4) analysis of internal environment of the SC, and
- 5) selection of strategic focus based on the results of the SWOT analysis on which further work on strategy preparation is based.

The model is being projected into three key sector fields, namely the economy, the social sector and the environment and infrastructure. Graphic presentation of this model is given in Diagram 1.

Diagram 1 Overview of the model of synthesis of results of SWOT Analysis



2.2 Context and constraints for analysis making

The initial limitation in the synthesis is related to the subject of the analysis. It is a SWOT analysis that takes into account those factors and activities that relate to the constitutional competencies of the SC as an institutional form of government. With such a limitation we can analyze the effects of external environment and strength and weakness in the internal environment.

The context for the development of the Strategy and Study is the society and the state that are at a low level of economic and social development in relation to the EU, as an association we are striving for in our development. The underlying cause is a low level of reform and alignment of key development factors with the advancement of technology, markets, regulation and positive business practices in the world or, closer, in the EU.

With regard to the efficiency of the effects of the three main drivers of development on the SC situation are as follows:

- 1 Market forces cannot act in the required intensity as supply and demand factors are not able to act freely due to the lack of liberalization or regulation of certain businesses. Example: municipal waste is thrown without any obligation to sort and collect it at certain locations in order to enable its operators to recycle and reuse it as raw materials in a new cycle, in the chain of values of a particular production. So the tons of aluminium, glass, plastic and other materials are a problem for the SC instead of generating social benefits.
- 2 The entrepreneurial sector is blocked and does not act as an innovator, investor and operator who takes market risk, but also as a reward in terms of profit. It is risky to enter into recyclable waste entrepreneurship, because there is a high political risk, apart from the market risk - if there is no regulation and a solid legal basis, one can suddenly stop a start-up and all capital invested can be lost.
- 3 The KS is blocked and cannot give entrepreneurs any certainty that they can enter the waste recycling business under the laws and other regulations because there is no municipal waste regulation and the regulations for other types of special categories of waste are within the competence of the FBIH.

Speaking about development means talking about the quality of development, about the changes that need to be made to accelerate economic, social and environmental development. If the quality of changes is correct and produces positive effects, then the quantitative expressions of these changes will also be possible to manage.

Reforms create new opportunities, previously unheard of. For example, waste management in which waste will be no social cost but social benefit, opens up new opportunities for development - new businesses, new employment, new investments, new added value, new resources. To achieve this, it is necessary: a) to have this area regulated by the state ; b) to release the market forces and create a favourable business environment so that entrepreneurs know what risk they are undertaking; c) good and willing-to-risk entrepreneurs. Who should do it?

The lack of previous research is a great limit to the reliability of the SWOT analysis and its synthesis. Example: Heat energy for the City of Sarajevo from TPP Kakanj - this is a mega project that has not been researched and without that, no one can make a decision on that matter. There is no evaluation of existing projects to see their effects, in order to assess whether to continue or leave them.

In order to achieve a vision of a better life in the SC, a new economic structure must be created that will enable more and better paid jobs. This will create greater demand and opportunities to develop a variety of local services and attract new investors. If the existing poor economic structure is maintained, the SC will reproduce slow growth and poverty. If the economic structure is improved with the dominance of production and services with high added value, it will be a progressive environment with a dynamic economy, high quality public services and a sustainable natural environment. The SC, as well as the whole of BiH, is the medium in the trap of middle income. Will the future flow of events lead the SC forward to a society of high income or back to poverty? In terms of competitiveness, the SC is not so cheap to compete with prices, especially with Asian competitors, nor is it so innovative to compete with differentiated innovative products.⁴ It is necessary to create its own development strategy which will provide specific competitive advantages on the global market within the integrated structure of BiH.

2.3 The initial situation in the analyzed sectors of the SC

The initial situation is the basis for planning the development of the KS by 2020. Many strategic changes in the environment have discontinuity with the past, and development planning of the SC has to continue in a balanced relationship with the changes that have started in certain areas, while in some areas there will be a discontinuity with the current state and trends in the past.

Basic characteristics of the initial situation in economic, social and environmental development of the SC is a low level of reform and changes in relation to the global and European environment. These changes are conditioned by dynamic changes in technology, market needs, competition in the markets of commodities, services, capital and political changes. The stagnation in reform in BiH is also reflected directly on the SC and this is the underlying cause of low competitiveness.

The starting point should be considered by sector criteria, including the sector of the economy, the social sector and the environment and public investment sectors.

2.3.1 The initial situation in economy

The development of the SC over the past period had a sign of recovery from the consequences of the global economic crisis, which had gravely affected Bosnia and Herzegovina, starting from 2009⁵. This recovery was fragile and has not been stabilized yet. At the level of FBiH, the total gross domestic product (GDP) in 2013 has only reached the level of 2008. (Index 100.7). Official data on cantonal GDP do not exist. For this reason, the estimates cannot be given on GDP effects on the SC, as a recovery indicator. As more reliable indicators of economic recovery, we can take the un(employment) and investment movements.

⁴ According to the findings of the Study: "Strategic Orientation of Economic Development of the Sarajevo Canton, Phase I", CEDES, July 2015.

⁵ It should be recalled that the direct and indirect war damage caused to the economy was estimated at 24 billion KM. (Chamber of Commerce of the SC, 1996).

Table 5 illustrates the trend of growth of the number of unemployed in the period 2009-2013. The secondary analysis of the labour market in the SC showed that during the same period the growth rate of the unemployed population was 1.27%.

Table 5. Unemployment rate in the KS in the period 2009-2013.

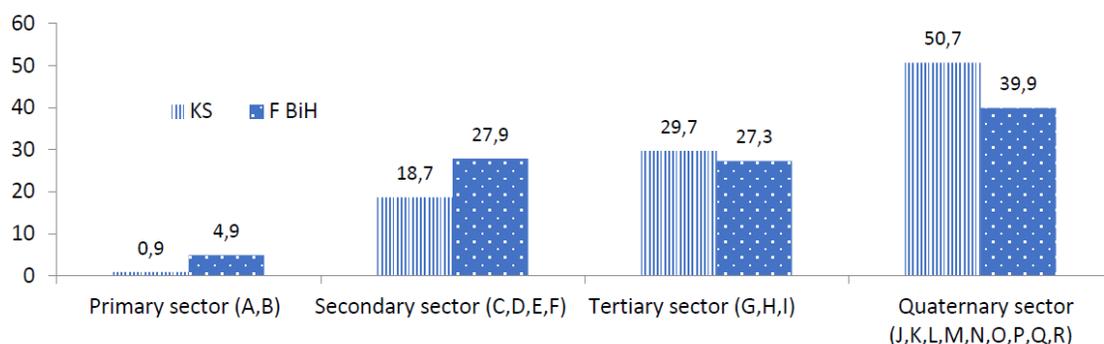
Indicators	2009	2010	2011	2012	2013	Growth rate 09-13 (%)	Index 13/09
Unemployment rate of population	15,6	15,8	15,9	16,6	16,4	1,27	104,6
Unemployment rate of labour force	23,3	23,6	23,7	24,4	24,2	0,97	103,5
Unemployment rate of active population (in relation to labour force)	35,7	36,8	35,7	36,7	37,0	0,96	103,6

Source: Development Planning Institute of SC, processing

Indicators of (un)employment and investment point to the problem of economic structure in the SC which is not capable of generating high added value, generating new and quality jobs or ensuring technological progress. Employment has slightly increased, thanks to the growth in employment in public administration, as a result of the fact that the city of Sarajevo as the capital of BiH and the Federation of BiH is in the SC. Total employment in the SC is dominant in the public sector, both in public administration and public activities, as well as in companies with state capital and public companies (about 40% of employees in the SC). It is an unproductive and non-perspective basis of employment. Entrepreneurial real sector (agriculture, forestry, industry, construction, hospitality and tourism, transport and communications) generate approximately 30% of jobs, and other forms of entrepreneurship (banks, insurance, real estate, trade and other) generate approximately 30% of jobs. Unemployment is growing, and particularly negative are long-term unemployment of the elderly, a long period of finding first employment for young people, low competitiveness of the unemployed in terms of required profiles and job skills in the labour market, high formal school education for the unemployed. The use of active policies and employment measures shows initial results, but it also confirms that economic growth itself without those policies will not be able to seriously reduce unemployment in the SC.

In the absence of indicators related to GDP and its structure in the SC, the economic structure is shown by employment structure (Graph 1).

Graph 1. Participation of sectors in job creation in the SC and FBiH, 2014 (in %)



Source: Statistical Bulletin 218/15, FSO, available at http://www.fzs.ba/godsnnj_bilteni.htm#ZAPOSLENOST, NEZAPOSLENOST I PLACE, access on 28/6/2015.

In the structure of economic activities, the share of those with the potential for exports in the creation of jobs in the SC is only 19.6% (the primary and secondary sectors). This is far less than the share of these sectors in the FBiH with 32.8% of jobs. On the other hand, the tertiary and quarterly sectors, some of which have the capacity to

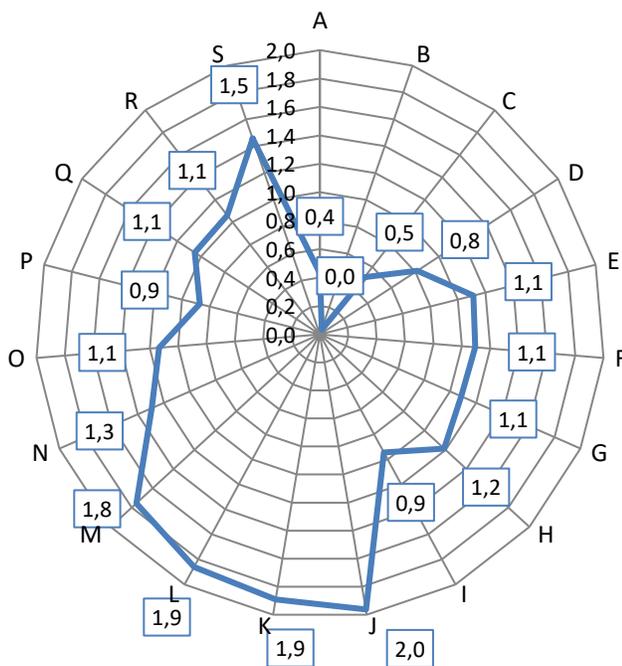
create services for export markets, have a much larger share in job creation in the SC compared to the FBiH (the tertiary sector with tourism and transport and the quarterly sector with ICT, healthcare, business and services of creative industries - arts, entertainment, sports).

These findings are also confirmed by the analysis of location quotients which represents the relationship between the shares of certain activities in job creation in the SC compared to the FBiH. Activities with a location quotient above 1 are the basic activities of the SC, while those below are non-basic activities.

In Graph 2, in the location quotient overview for the SC, it is apparent that the basic activities of the SC with location quotients above 1 are: water supply (E), construction (F), trade (G), transport and storage (H), information and communication (J), financial activities (K), real estate (L), professional and scientific services (M), administrative activities (N), public administration (O), health and social services (Q), art, entertainment and recreation (R), and other (S). On the other hand, agriculture (A), manufacturing (C), electricity generation (D), hospitality (I), and education (P) are non-basic activities.

These findings point to significant deviations from the desirable role of agriculture, manufacturing and hospitality (tourism) as a basic generator of export products and a significant provider of tourism services for export demand. It is paradoxical that a number of activities presented as basic ones do not have potential for future development because they are limited to insufficiently growing domestic markets or are not perspective as public services. This implies the need to transform a range of public services into services intended for export markets (health and education tourism, creative industries and others).

Graph 2. Location quotients of activity in the SC towards FBiH by employment, March 2014.



Source: Statistical Bulletin 218/15, FSO, available at <http://www.fzs.ba/godsni/bilteni.htm#ZAPOSLENOST>, NEZAPOSLENOST I PLACE, access on 28/6/2015.

Low export orientation is the result of insufficient competitiveness of the manufacturing industry (growth rate of 3.9%, 2010-2013), although exports of goods increased in the period 2009-2013 by about 50% with the contribution of wood-, metal-, and food and beverage industries. In the structure of exports from the SC, export of services has a significant place. However, it is not covered by export statistics and thus distorts the picture of the

overall orientation of the economy of the SC towards the export markets.⁶ The value of the export of services from the SC has not been studied, but it can be concluded from the observations that it is a high potential that can improve the economic structure of the SC. Table 6 summarizes exports by area of activity classification in period 2010-2013.

Table 6. Exports by area of activity classification in the SC in the period 2010-2013.

Exports by CA	Exports (000KM)				Growth rate 10-13 (%)	Index 2013/2010
	2010	2011	2012	2013		
Total	744.718	787.345	722.965	916.490	7,2	123,1
Agriculture, forestry and fishing	4.329	4.990	4.442	8.345	24,5	192,8
Mining and quarrying	4.230	636	557	870	-41,0	20,6
Manufacturing	465.004	467.734	489.646	522.128	3,9	112,3
Production, supply of electricity, gas, steam and air-conditioning	168.046	161.356	89.680	259.542	15,6	154,4
Other	103.109	152.630	138.640	125.605	6,8	121,8
Unclassified by category		-	-	-		

Source: Federal Statistical Office, SC, in numbers 2014, 2013.

The public sector in the SC is significant by the extent of public funds for its financing, the extent of employment, and the scope of financial deficits and liabilities. However, the biggest challenge for the public sector in the SC is not its size, but efficiency. Although the reduction in the level of income in the SC budget, caused by the current legal arrangements and the procedures of repayment of external debt at a higher level, is not sufficiently followed by reducing and restructuring of expenditures, it cannot be argued that restructuring and rationalization of expenditures do not occur. It is precisely the reduction of the deficit level in recent years that proves that the restructuring of spending is still being implemented. The novelty in the structure of the deficit is a list of all obligations that the SC has, based on executive judicial decisions from previous years, so that the effect of restructuring of expenditures cannot be seen immediately, or at least not in the near future, since executive judgments at the end of each year will affect the increase of the deficit until their final settlement. Though the biggest wave of claims has dropped, the reform of the public sector pay system is the only solution to boost the efficiency of providing public services and reform processes. If we say that the problem of public sector is not its size but efficiency, then the Law on Salaries should differentiate between better quality work and less quality work. The implementation of the principle of transparency and a unique approach to rewarding for equal work with salary grades that would have a variable part of the salary would create preconditions for a more efficient and more professional public administration capable of implementing the reform process. Such a legal framework would not result in financial savings on the expenditure part of the budget but would create the conditions and motives for finding a solution in the restructuring of expenditure. Creating the prerequisites for restructuring expenditures is an indispensable part of the process, which involves amending or passing new laws and by-laws. The Auditor's Report of the Sarajevo Canton Budget for 2015 states a series of by-laws that are in line with the recommendations of the previous years, which have affected restructuring expenditures or increased control of revenue collection. Further active implementation of the Audit Office's recommendations would strengthen the fiscal framework of the Sarajevo Canton Budget, provide a system of effective control of existing expenditures and their reduction as well as create conditions for deficit settlement and greater focus on the planning of the Development Budget.

While part of the deficit is covered by borrowing, the SC is in the process of changing the way borrowing is done by issuing bonds instead of borrowing at commercial banks, which means more favourable terms and less borrowing costs. Lower borrowing costs are an example of restructuring expenditures.

In the previous period, the Sarajevo Canton has been faced with the fact that the time has come to redefine the Law on Affiliation of Public Revenues in the FBiH, by defining new distribution criteria, which should be more economical than demographical, as well as by a clearer presentation of the public revenues distribution without endangering Budget at all levels of government in the Federation of BiH.

The Health Insurance Fund of the SC and the leading healthcare institutions in the SC are in losses and have growing liabilities and liquidity problems that endanger the scope and quality of services. Such situation with budget

⁶Extremely exportable service activities include engineering and design, ICT services, software services and services for international transport and tourist services.

and funds jeopardizes the sustainability of existing public services in the areas of education, health, social protection, security and public administration functions. Public utility companies are in huge losses and they represent a burden to the budget through subsidies of around 40 million KM per year. The cause of their losses are bad policies in certain areas of the public utilities sector (heating, water supply, gas distribution and public transport), non-economic prices of certain services, low level of investment for more rational business and poor corporate governance with inefficient management of public utility companies, and a large number of illegally built facilities. The sector of state-owned enterprises operating in a competitive environment is neither successfully restructured nor successful in privatization, which leads to the deterioration of these companies and the loss of jobs.

Entrepreneurship sector shows vitality - in the period 2009-2013 the number of legal entities and units of legal entities is increasing, but the number of tradesmen, i.e. physical persons, is decreasing. Small, medium and large enterprises employ approximately one third of the employed in the economy, regardless that the category of small accounts for 97.7%, the medium 2% and the large 0.3% of the total number of enterprises. So a large number of small enterprises require linking and co-ordination outside the market mechanism through chambers, business associations, co-operation or clusters, but this is not sufficiently represented. In the business environment the functioning of business zones has improved, but the technological and entrepreneurial incubators lag. A positive example is HUB 387 of entrepreneurial incubator in the field of ICT that was created on an entrepreneurial basis, without any direct public involvement. Public funds to support start-up entrepreneurship are insufficient. Access to finance is still difficult. An increasing number of small businesses are non liquid and have blocked accounts due to the difficult collection of receivables. There is a great lack of certain profiles of the workforce because school and university programs do not follow the needs of the labour market and there is lack of effort to continuously work on raising the work skills of workers. Active employment measures give initial results.

Investments as a basis for start-ups, growth, restructuring, modernization and innovation of companies are inadequate, and their line structure is predominantly oriented on real estate, trade, and information and communication. Nearly 60% of investments are focused on buildings, which supports the thesis of strong motivation of investors to invest in the rent economy and neglect investment in equipment and technology. There is a concern about the small volume of investment in the manufacturing industry of only 8% of total investments in 2013. In addition to being low, investment preserves the existing negative economic structure of the economy and does not support the goals of growth in employment, GDP and exports. However, the insufficient level of foreign direct investment is not geared towards "tradable goods and services" sectors, and there are no clear investment promotion programs or foreign direct investments in the SC. Public Private Partnerships (PPP) projects have not taken root, and the massively applied "crowding-out" phenomenon (the excessive role of the public sector in providing public services that excludes or disable private sector involvement) experiences a certain evolution by introducing private operators into public transport at the SC. A complete overview of the realized investments in the SC in 2014 is presented in Table 7.

Table 7. Payments for investments in the SC by activities and basic sources of funding in 2014 (in 000 KM)

Business activity of investor	Total	From own funds	From pooled funds	Used financial loans	Financial leasing	From funds and budgets	From other sources
Total	1.143.883	769.307	54.954	205.561	29.632	9.690	74.739
Legal persons total	1.139.721	767.232	54.955	203.540	29.632	9.689	74.673
A	4.150	654	582	2.867		47	
B	1.809	1.358		70			381
C	89.971	75.433	180	8.217	813	35	5.293
D	170.959	133.451	234	35.062			2.212
E	16.197	2.739		2.758	649	1.668	8.383
F	40.035	26.756	1.105	9.238	2.927		9
G	214.654	135.011	37.833	29.373	9.332	146	2.959
H	64.962	22.873		31.287	10.055	86	661
I	41.010	25.825	120	14.706		201	158
J	200.087	169.979	38	492	584	30	28.964
K	51.866	49.693		2.047	126		
L	45.128	13.105	6.215	24.573			1.235
M	65.446	24.132	4.236	30.722	1.055	4.214	1.087
N	14.479	6.234	2.052	785	3.874	183	1.351
O	58.710	42.340		630	47	804	14.889
P	39.049	26.490	25	9.582		201	2.751
Q	10.261	4.452	2.318	277		1.870	1.344
R	2.984	2.442	16	205	48	171	102
S	7.963	4.264		648	122	34	2.895
T	4.163	2.076		2.022			65
U	-	-	-	-	-	-	-

Source: The SC Development Planning Institute, Information on Investment in the SC area in 2013

The levels of gray (semi-legal) and black (totally illegal) economies are still high. The main areas where they are expressed are unregistered work, tax evasion, illegal employment, money laundering and other illegal activities. This leads to disturbances in the market and distorts the market competition system. The work of inspection institutions on the supervision of business regulations and judicial and prosecutorial institutions in economic disputes is not in function of support for economic growth, employment and exports. Arbitration and mediation in economic disputes are not used in sufficient scope.

In the summary, the initial state of the economy has the following characteristics:

- 1 High unemployment with structural long-term character with positive changes in the beginning of application of active policies and employment measures,
- 2 An economic structure that does not allow the production of products and services for export (tradable goods and services) and generating more gross value added and jobs that would be more productive and provide for higher wages,
- 3 Low export orientation and limited development of economic activities to domestic market capacities, as well as positive flows of ICT services, business services and tourism exports,
- 4 A large and inefficient public sector with budget deficits and the SC Health Insurance Fund, and high losses of public utility companies,
- 5 Insufficient competitiveness of the entrepreneurial sector, especially small and medium-sized enterprises in the industry, a bad business environment for business, investment and employment and inadequate progress in creating a stimulating and friendly business environment that would support the change of economic structure (industry, ICT services, tourism); development of new and restructuring of existing small and medium-sized enterprises, development of new forms of entrepreneurship and business sector innovation, development of entrepreneurial infrastructure and linkage to the chains of values of BiH, regional and global companies,
- 6 A low level and unfavourable structure of entrepreneurial investment with a focus on rent economy and neglecting of investment in new technology and industry, low presence of foreign direct investment in

- 7 manufacturing and services for export and absence of PPP projects as a way to introduce the private sector in providing public services,
- 8 High levels of gray and black economy that deform the labour market and market competition with weak inspection services and inefficient judiciary in the field of economic disputes,
- 8 Insufficient funds allocated from the budget to prevent the risk of natural and other accidents such as flood, drought, landslides, traffic accidents, soil and air pollution.

2.3.2 The initial situation in social sector

The social sector creates significant social preconditions for economic and social progress and achievement of social inclusion in the SC. It is very extensive in its scope and engages significant public resources. The basic factors that determine the scope and structure of activities in the social sector are: 1) social and economic situation, above all employment opportunities and poverty level, 2) inherited social situation (veterans' protection, disability protection, demobilized combatants, victims of war, health status of the population), 3) demographic factors (preschool, primary and secondary education, elderly), 4) policies for activating the socially dependent population (social entrepreneurship, self-employment, raising work skills) and public policy on health, education and social protection (share of public and private resources and their allocation to beneficiaries).

In the assessment of the situation in the area of social sector in the SC, we need to focus on the following issues: 1) whether the social sector functions create the necessary conditions for economic progress and development of an innovative and entrepreneurial society, 2) whether the social sector provides the desired level of public services in the fields of education, health, social protection, security, culture, sport and social inclusion, 3) whether the social sphere stimulates the activism of beneficiaries of a range of social benefits towards healthy life, in the labour market, entrepreneurial sphere, or collective security contribution, and 4) how financially viable the social services systems are in the SC.

High and structurally conditioned unemployment indicates that education, especially in high school and university, is not enough. Additionally, there is a noticeable drop in the number of pupils in primary schools in the period 2009-2013. Table 8 highlights the presence of this trend.

Table 8. Number of students in primary schools by years

Year	Schools	Classes	Students			Teachers
			Total	boy students	girl students	
2009	84	1.696	39.479	20.278	19.201	2.537
2010	85	1.665	37.865	19.433	18.432	2.571
2011	85	1.622	35.539	18.320	17.219	2.521
2012	85	1.580	34.709	17.830	16.879	2.462
2013	87	1.659	36.233	18.635	17.598	2.576

Source: Pre-School, Primary, Secondary and Higher Education (Development Planning Institute of the SC; 2009-2014)

In teaching and study programs, in addition to their lack of relevance in relation to labour market demand, there is not enough education in the field of entrepreneurship, or the active attitude of pupils and students in practice or volunteer work and in the presentation of their work capacities to future employers. The table below shows employment by professional education level for the period 2009-2013.

Table 9. Employment by professional education level, in the SC, situation as at 31 March

Professional education level	2009	2010	2011	2012	2013	Index 2013/2009
University degree	23.923	25.491	28.584	29.826	31.180	130,3
Doctors of Sciences	1.468	1.456	932	956	1.176	80,1
Masters of Sciences	920	1.208	1.308	1.431	1.826	198,5
College degree	6.238	6.033	5.855	5.726	5.474	87,8
High-school degree	42.474	44.001	47.660	48.999	50.470	118,8
Primary school	4.015	4.199	4.689	3.884	3.431	85,5
Highly qualified	4.113	4.082	4.049	3.708	4.037	98,2
Qualified	15.568	13.487	13.616	13.393	12.124	77,9
Semi-qualified	1.472	1.404	1.310	1.109	1.167	79,3
Non-qualified	4.682	4.470	3.614	3.607	3.290	70,3
Total	102.485	103.167	109.377	110.252	111.173	108,5

Source: FSO, Bulletin Employment, Unemployment and Wages, 2009-2013.

All of the aforementioned leads to the poor preparation of young people in the labour market and long time to the first job. Despite initial results in active employment policies, there is not enough public resources to raise job skills of long-unemployed and re-qualify them in line with labour market needs. Special problems arise in the insufficient offer of ICT experts, process and product development engineers, production organizers, environmental management experts and workers in certain manufacturing professions. The example of the HUB 387, which educates people for ICT-based labour market at its own academy, shows that the public-private partnership could produce results here. There is a lack of analyses of the effects of different forms and models of schooling and studies (examples: nine-year primary education, mass education at the II cycle of higher education and others). Culture and sport give undoubted contributions to the building of an innovative and entrepreneurial-oriented society, but they are insufficiently articulated because public funding policies limit their scope for action. An impressive example of the absence of contributions of social services to socio-economic progress in the SC is that there are no allocations for scientific-research work, which are legally regulated at a level of 2% of GDP and should be between 100 and 120 million KM per year. Obviously, in addition to the lack of money, there is a problem where this money would be spent, for which purposes and to whom the part would be allocated.

The coverage, quality and availability of public services from the social sector significantly affect the quality of life of people. Generally it can be estimated that the coverage of these services is wide, that the quality is being improved, and that they are not uniformly distributed in the SC area. This is particularly characteristic in healthcare, in which the dynamic advancement of science and technology requires equally innovative public policies and innovative entrepreneurial forms of organizing of public health care institutions with focus on citizen and the mission of improving health as a basis for people's well-being. Because of the limited financial, human and organizational resources and knowledge resources, demand for health services is above the capacity of the offer. This gap can be covered by a greater supply of public services, by creating private service offer or by reducing demand through the introduction of market prices for certain services and for certain categories of demand. Within the availability of social services there are major issues related to the social inclusion of society in the SC. They are manifested in unequal employment opportunities in the public sector, access to education, the use of benefits from a set of active employment measures, unequal amounts of disability for persons with disabilities who have suffered disability for various reasons (so-called non-war disabled, civil victims of war, and war veteran invalids), use of health services, tolerance of corruption, privileges and crime and others. People with disabilities face many obstacles in their daily lives. In the case of natural and other accidents their vulnerability is increased. In the past activity in the domain of the availability of social services, no policy has been created, and in particular no practice has been implemented that would create clear criteria for obtaining rights to social benefits based on income and property censuses. This implies the existence of a social card and a transparent way of allocating social benefits in the SC.

The social sector in the SC, as well as throughout BiH, does not stimulate the activism of citizens to leave the area of social protection or passivity related to limited resources in culture, health or education. From 2009 to

2013, the number of beneficiaries in the area of social protection, civilian war victims and the protection of families with children decreased, and the amount of remuneration remained almost unchanged.

Table 10. Overview of beneficiaries and funds allocated for social protection, civilian victims of war and protection of families with children (average monthly)

Categories	2009	2010	2011	2012	2013	Index 2013/2009
Beneficiaries	56.097	49.649	50.198	51.456	50.846	91
Allowance in KM	5.829.793	5.581.190	5.547.289	5.730.683	5.809.807	98
Average monthly per beneficiary in KM	103,9	112,4	110,5	112,8	114,3	108

Source: Social image of the SC for the years 2009-2013, Development Planning Institute of the SC

There is a lack of more serious organization in forms of self-employment and so-called social entrepreneurship⁷, which, with public financial and technical support, could help to transfer the respective population from the passive social protection zone to the zone of active promotion of economic development and employment. Within the idea of activism, instead of social or budget passivism that prevents progress, in the SC experiences have been gained of the so-called creative industries that appear in traditional areas of public services in the fields of arts, entertainment, culture, recreation, sports, health and education, by transforming these areas into market and entrepreneurial business. Creative industries mean the introduction of private capital, often with foreign partners, and their products and services are predominantly oriented to foreign users and markets (film industry, TV production, health and education tourism and a number of other business areas). A positive achievement in this plan is the inclusion of BiH into the European program of creative industry development with a fund of about 1.4 billion Euro, which is a chance to nominate programs from the SC. The Sarajevo Film Festival can be considered the most famous product of the creative industry in the SC. However, there is still no conceived concept of creative industries development in either BiH or SC, which would create projects on the basis of the initial public funds that would compete for European funds and be the basis for attracting private investors in the country and abroad.

Financial sustainability of social services is a serious constraint to maintaining the existing level, and especially to their future development. Reduction of the SC budget revenues in the crisis period led to reductions in grants for the University of Sarajevo, treating education expenditures as administrative expenditures. Under the conditions of deficit financing of the budget, the allocations for other forms of social services are also questionable: primary and secondary education and social protection. The SC Budget is otherwise predominantly social and administrative, without a more serious development component. Health expansion, including investments, creates deficits of the SC Health Insurance Fund. Often the restriction of the Fund's expenditures, in order to balance it, leads to deficits in public health institutions, which are forced to make reductions in the procurement of materials and thus cease to provide certain important services. There have been no recorded restructurings of public sector expenditures from the social sector, and the reduction measures were mainly non-selective reduction of expenditures to certain users and for specific purposes. In the social sector there is a strong penetration of private capital, especially in health and education, but also in culture and sport. This leads to a richer supply of services in this sector that lead to quality and greater availability of social sector services to citizens. At the same time, it also creates a good basis for strengthening public-private partnership in certain activities of this sector that have opportunities for developing entrepreneurial-oriented activities (health and education tourism, market-oriented studies, vocational re-qualification, creative industries, etc). Citizens' security is undermined by the lack of an effective removal of stray dogs from streets, street crime, and the spread of drug use, and the reasons for such a state are largely due to the lack of public funds for financing social action on the prevention of these problems. Limited financial resources prevent adequate rewarding talented and top-level experts at the University and in

⁷Social entrepreneurship is one of the key mechanisms for applying market access to improving social and working integration of the population. Social entrepreneurship is not driven by profit motives, and invests the realized profit in business development. Otherwise it is led by all other elements of entrepreneurship: marketing orientation, investment, innovation and taking market risk. It implies the forms of cooperatives - cooperatives, firms, trades, non-governmental organizations, associations, foundations and self-employment.

healthcare, leading to brain drain. This problem could be solved through the system of financing scientific research in the SC.

In conclusion, the starting point in the social sector has the following characteristics:

- 1 Large and inert public sector offering a wide range of services and protection in rising quality, but limited access with expansion of private, entrepreneurial-oriented capital, which increases the volume and quality of services and increases the availability of these services to citizens, particularly in health and higher education
- 2 Public services in the social sector do not encourage economic growth and employment, especially because of poor preparation of young people for the labour market and education system that does not produce the staff needed in the labour market
- 3 Inadequate preparation of public policies and public administration to support innovation and entrepreneurship, particularly in the area of scientific research and development, which offers talented and top researchers no prospects for work in BiH and forces them to leave the country
- 4 The social protection system does not encourage the beneficiary's activism to leave the passive protection zone and enter the zone of active support to employment and self-employment through their own entrepreneurial activity and raising work skills and abilities
- 5 There are no legal regulations and public policies to encourage social entrepreneurship that would help marginalized groups find jobs easier and quicker on the principles of social inclusion and reducing their vulnerability in the case of natural and other disasters due to unequal access to resources and services to early warning system
- 6 No social climate has been created to strengthen social inclusion in the availability of public social sector services for all social groups and for a fair targeting of a population that is in a state of social need in relation to the population that use social rights according to their status. There is an open question of ways and measures for preventing and combating poverty, corruption, all forms of violence and crime and the situation in this area is unsatisfactory
- 7 In social sector activities that have conditions for market orientation, there are initial successes in the implementation of creative industry projects, which, with the support of public funds, would enable expansion of the industry in the fields of film, TV production, health and education tourism, culture, sports and others.

2.3.3 The initial situation in environment and public infrastructure

The environment and public infrastructure create conditions for economic growth, employment, rational and productive use of natural resources and space as conditions for raising the quality of life in the SC.

The situation in these areas is different for individual elements of the environment and public infrastructure. Below is a shorter analysis of these elements.

The environmental legislation is in a rather advanced stage and basic strategic documents KEAP and LEAP (Cantonal and Local Environmental Action Plans) have been adopted. However, there is a lack of coordination between the bodies for document implementation. At the local community level, there is no readiness to apply and control the environmental permit measures, which is negatively reflected on the overall state of the environment.

In the area of forest management, emphasis is predominantly on the primary functions of wood exploitation, and the impacts on air, water and soil, as well as the exploitation of secondary forest products have been neglected, which is a great potential for tourism development. It should be noted that the Sarajevo Canton carries out functional protection of the natural areas on 2.3% of the territory, of which 70% is the forested area where exploitation of forests is forbidden for economic purposes. In general, the great potential of protected areas, in addition to the development of ecotourism, is reflected in the ecosystem values that are related to nutrition, resources, health, recreation and so on.

Illegal construction is in full expansion, which creates a series of problems in spatial planning, environmental protection, communal infrastructure and landslides, endangering waterways, groundwater and soil, even the population living in areas of illegally constructed facilities. Failure to comply with federal building regulations leads to the failure to comply with the obligation to obtain energy certificates for all built facilities, which is why the practice of high energy losses and air pollution continues, especially in the cold period of the year. Inspections are without sufficiently capacities, consistency, and capability to perform their statutory tasks. Illegal construction with its economic, social, security and environmental consequences requires immediate solution to stop and eliminate the consequences.

Due to non-enforcement of environmental protection regulations, air pollution, risks for watercourses and security of water supply, land, cultural-historical and natural heritage in the SC are increasing. Air pollution is a direct consequence of uncontrolled gas emissions from motor vehicles under conditions of poor public transport and the use of alternative fuels in relation to natural gas. Table 11 highlights the most important indicators when it comes to the type and number of pollutants in the SC.

Table 11. Overview of pollutants and number of pollution reports, and the number of exceeded emission values in the SC

Heating season	Number of firms	Number of boiler rooms	Number of reports	Number of exceeded emission values
2011	58	287	571	19
2012	33	164	378	16
2013	48	67	181	13
2014	32	174	206	6

Source: Air Quality Information, Ministry of Physical Planning and Environmental Protection, 2014

Also, Table 12 provides an overview of the largest pollutants by the amount of emissions, categorized by source types

Table 12. Summarized overview of emissions by source types

Source Type	SO2	NOx	CO2	CO	NH3	N2O	CH4	NMVOC	C6H6	PM10
Surface	1.264	1.963	1.308.629	46.900	45	36	2.036	4.451	38	1.161
Line	9	1.473	379.904	17.370	13	12	88	998	33	110
Dotted	381	119	77.079	10	3	0	27	107		1.273
Total 2013	1.654	3.554	1.765.612	64.280	61	48	2.151	5.557	70	2.544
Total 2010	1.580	3.892	1.768.238	60.790	56	44	2.039	5.195	2.029	
Difference 2010/2013	4.7%	-8.7%	-0.1%	5.7%	8.8%	7.8%	5.5%	7.0%	6.6%	25.4%

Source: Air emission register and air quality rating for the SC area for 2013

Water is used irrationally with great losses so that in the future, the SC will be threatened by water shortages, all the more because the water protection zones are endangered by illegal construction and the water supply infrastructure is damaged due to the long-term lack of investment in maintenance. The construction of sewage treatment plants in Butila is in the process. Table 13 shows the available public water supply systems and the number of users of each of them.

Table 13. Overview of public water supply systems in the SC^a

Water supply systems	Number of users
Sarajevo Water Supply System	391.130
Municipal Water Supply System, Misoča Ilijaš	16.000
Water Supply System Hadžići	22.787
Water Supply System Trnovo	1.622
Total	431.539

Source: Public Health Institute of the SC (2012), Study on the health status of the population, hygiene conditions and healthcare activities in the SC in 2011

There is no unique information system on land or cadastre of landslides. Lack of land certification is an obstacle to faster development of organic food production. The cultural and historical heritage is not supported by

^aStudy on the health status of the population, hygiene conditions and healthcare activities in the SC in 2013

the appropriate tourist infrastructure (tourist yards, parks for tourist buses, signalling). The natural heritage and protected areas that provide high potential for eco-tourism is of great importance.

In the sphere of sustainable environmental management in the SC, there is a high potential for creating new value and job creation. This primarily refers to the area of renewable energy sources with hydro power potentials for small hydro power plants, forest biomass and wind power. Furthermore, it is an area of energy efficiency with building and appropriate advisory services, as well as energy certification of buildings. Special potentials is created by organic food and beverage business, tourism and waste management. Waste is a major environmental problem because it is still treated as a social cost (collection, manipulation and destruction) instead of being treated as a useful secondary raw material which, in the concept of the circular economy⁹, can be part of the value chain of the economy in creating a new value and generating new jobs. There is a deficit of environmental management experts, so school and university curricula should include appropriate programs for their creation. This would also increase the advisability capacity to use IPA funds.

In the last decade, the area has become an attractive resource in the SC for the real estate business expansion, which includes real estate for sale, rent and for self-use. The high demand for urban land in Sarajevo under the conditions of its limitation did not induce the necessary reactions related to changes in the amount of rent fees. The introduction of a communal rent is under preparation to provide additional funding for municipal utilities financing. It would not, however, solve the problem of high rent for exceptional building sites in the centre of Sarajevo. On the other hand, the introduction of communal rent, as well as the payment of utility economic prices, are faced with restrictions on purchasing power of citizens, especially those lower income categories. This is an additional argument for introducing a social chart that would be the basis for subsidies and the allocation of social benefits for qualified population categories.

Infrastructure in the SC area is at different development stages in particular areas. Traffic infrastructure within the jurisdiction of the SC records dynamic development, and includes road communications and the telecommunications network in the SC. In the area of energy infrastructure, there are mainly rounded-off systems for the distribution of natural gas and heat energy. Infrastructure for water supply and drainage in the SC is outdated and insufficient, leading to a problem of time-limited water reduction and in the future it could lead to serious water shortages and water pollution. Investments in restoring the existing distribution network are a prerequisite for the elimination of huge water losses, and investments in the realization of the Crna Rijeka system should provide a regular water supply in the long run. The construction of tourism infrastructure is a prerequisite for the dynamism of tourism in the city of Sarajevo and in the SC.

In the performance of vital functions related to the environmental management and functioning of public transport infrastructure, waste, water, natural gas and thermal energy, the public utility companies have a full monopoly. This creates major problems in the efficient functioning of these important areas, since the difficulties in these companies as system operators are transmitted to the whole system and prevent the quality of satisfying the needs of citizens in these areas. There is no activity to liberalize these areas that would allow competition to emerge through the emergence of new providers of these services to citizens. The exception was the entry of a private company into the area of public transport and the appearance of a number of private companies in the distribution of heat energy for heating, one of which had to quit its work in the SC area in 2010.

⁹ Circular economy that represents a closed system of resource utilization, recycling of waste and its re-use as important raw material and material for the further value creation process through the value chain. Circular economy expands the value chain in *downstream* to the consumer and uses consumer waste to include it in the creation of raw material for new value creation.

In conclusion, the initial state of the environment and infrastructure has the following characteristics:

- 1 The field of the environment and the use of space in the SC is not regulated despite the existing regulations, plans and programs, primarily due to political influence and insufficient professional and inspection capacity for regulatory implementation.
- 2 The key environmental and space use issues are the lack of synergies between spatial and environmental development, massive illegal construction, high air pollution, irregular water supply, water protection area vulnerability, land sliding, lack of integrated waste management system and non-compliance with environmental protection requirements from environmental permits by investors in construction, industrial and infrastructure projects.
- 3 A well-conceived and organized system of sustainable environmental management and use of space, for the SC can mean a shift from social costs to the creation of great economic and social benefits in the development of new green businesses with the generation of new value and new sustainable jobs in renewable energy sources, energy efficiency, creation of circular economy, organic food production, ecotourism and various advisory services in this area.
- 4 The space is a highly respected resource in the SC, especially in Sarajevo and its narrow centre. It is justified to re-examine the existing rent fee system at these locations, such as the need to introduce a communal fee with the application of the subsistence criteria for the population that meets the income and property census. Consideration should be given to the promotion and use of building rights in accordance with the Law on Real Rights of the Federation of BiH.
- 5 The perspectives for sustainable environmental development require expert staff to carry out a number of jobs in this area. That is why there is a need for program innovation in schools and universities to produce the required number of staff in the field of sustainable environmental development.
- 6 Development of public transport infrastructure, water supply, sewage treatment, waste management and preservation of cultural and historical heritage implies modernization and reconstruction of the existing and construction of the new one. Investments in this area should be found in the Public Investment Program, and in their financing, apart from traditional forms, PPP models should be anticipated, taking care that investment projects do not adversely affect development, which can lead to environmental disturbances and the emergence of natural and other disasters.
- 7 The monopoly and the existing management of public utilities creates negative effects on the efficiency of satisfying the vital needs of citizens for utilities. There is no activity to liberalize the area of the communal economy and open the space for private capital and PPP forms.

2.4 Trends in the environment of the SC

Trends in the environment of the SC relate to sources of generating changes in the global, European, regional and BiH environment that will affect the development of the SC. These trends relate to: 1) technological, 2) market, 3) social, 4) political, 5) trends of social cohesion, and 6) trends of struggle for sustainable environmental development.

The presentation of these trends is given to the extent that is essential to strategically analyze the impacts from the environment and the starting position and capability of the SC to maximize those impacts as opportunities and minimize them as threats.

Trends in technological development

Technological trends in the world are characterized by explosion in the development of digital technologies that: 1) develop new businesses and solutions for the needs of people and businesses, and 2) change the business concept and the way of working through solutions for the application of digital technologies in traditional industries, economic and social activities.

These and other achievements in technological progress are the result of policies of investment in research and development projected in the EU at a level of 3% by 2020. The Horizon 2020 program envisages for the period 2014-2020 resources for research in excess of 80 billion Euros. Western Balkan countries, including BiH, have access to this program.

Compound product technologies are decomposed within the value chain and deployed to different locations in the global economy according to the competitive advantages of individual locations (energy, raw material, human, market resources). In transition countries, the production of components or assemblies is deployed, while R&D and design go to advanced countries, and are mounted in countries with high market demand for final products (automotive industry, for example).

In mature or standard products, innovations are made mainly through product redesign and enrichment by the functions of digital technologies. Countries in transition apply innovation through creative imitations putting the emphasis at a lower price. In the field of export of complex investment projects innovation is realized in design and engineering solutions and the efficient use of such facilities after construction. Energy efficiency and gas emission reduction technologies are improving. The production of energy from renewable sources becomes a legal imperative in the EU.

Technologies lead to innovation not only in products and services, but also in processes and social systems. A special feature of technological progress based on ICT is that technological achievements are widely available and enable the participation of all economies of the world in their use on the basis of local competitive advantages.

In recent years, the trend of production relocation from distant countries closer to the European market has been noted. This increases the attractiveness of European periphery countries, but also competition among them to attract the investments of European, American and Asian investors.

Trends in the market environment

Globalization leads to convergence of consumer needs, consumer behaviour and product and service standardization at a global level. Barriers to trade in goods, services and capital are abolished, excluding trade in agricultural products in which the EU has not carried out full liberalization. Small countries participate in the global market through the export of their own indigenous products or services to global market niches or on the basis of participation in the value chain of a particular complex product through the delivery of components and parts or in the production of software solutions as subcontractors for the global principals.

In the countries with the dominant share of small enterprises, a consortium is being formed, which integrates thousands of small companies in the production of products for the global market (e.g. cheese *parmegiano*, whose production in the Italian region Reggio Emilia involves about 3,800 farms 409 cheese factories, generating income of about 1.7 billion Euros - data for 2010).

An increasing part of world trade relates to products of creative industries, ranging from various films, TV series, sound carriers, video games to art crafts.

In developed tourism countries, the local production of food, beverages, consumer goods and souvenirs is directed to foreign tourists as a form of invisible exports.

In the conditions of growth of purchasing power in the domestic market, even in small countries, consumer ethnocentrism and altruism towards domestic products are being developed through the actions of governmental or NGO campaigns for the consumption of domestic products.

The foundation for successful global marketing is branding and partnership with distribution channels in export markets. Governments provide means for product certification and promotion in export.

Social trends

Extending the life term and active life of people and increasing their share in the total population of developed countries, as well as of the countries of the region, means the emergence of new needs related to health services, nursing and recreation, and more meaningful life in the old age. This creates opportunities for health and social tourism.

Threats of terrorism, massive diseases and social conflicts develop in modern people fear for their own and collective security. Tourists prefer safe destinations with a sustainable environment and an interesting cultural heritage.

The needs of new technologies and social systems develop demand for IT professionals, construction engineers, doctors, nurses, graphic designers, and other professions that have global shortages. It puts schools and universities in front of major challenges and reform needs in learning and study programs, but also in the need for lifelong learning funded from public funds and entrepreneurial sector funds. Demands from developed countries for experts lead to brain drain from transition countries if they do not have favourable conditions for development and reward.

The style of healthy and dynamic life that gets more and more fans at the global level generates the need for organic food and recreational, sports, culture and rural tourism.

Political trends

On a global scale, political integration is strengthened. On a European scale, EU membership becomes a political goal of all Western Balkan countries, which align their reform programs with EU policies. This goal has not been altered despite the difficulties in the functioning of the EU and the need for its own reforms. According to the success of reforms, they get candidate status and later full membership on an individual basis. A similar situation is with NATO membership. In support of structural reforms for EU accession, IPA funds and 22 different programs are available to the candidate countries, and pre-accession funds get also included when they get candidate status.

States and global organizations assume the responsibility for the development. Europe 2020 and the SEE Development Strategy 2020 include the same goals of economic growth as a smart, inclusive and sustainable development.

Reforms in all spheres of political, social and economic life are particularly intense in attempts to find ways of faster economic recovery through attracting foreign investment. Falling behind this means losing the chances for developing and raising living standards. Countries develop their conception of competitiveness to create a more stable macroeconomic environment with balanced public spending and a more favourable environment for business and employment, through public investment and R & D, better education, labour market, health, security, political stability and affiliation with strong global political integration, such as the EU.

Growth of terrorism and armed conflicts leads to mass migration from countries affected by disorder and poverty. The introduction of economic sanctions against countries in armed conflicts distorts free trade and redirects regional trade flows.

Responsibility for climate change and sustainable environmental development results in high environmental standards that must be proven by certificates for export products to the EU market (furniture, woodcarvings, food, beverages). The power of public institutions becomes a factor for the competitiveness of the economy of each country.

Social cohesion trends

Societies with common values achieve faster economic and social development. Social cohesion implies equal access to opportunities for the economic, social and political inclusion of every individual in society. It is based on human rights and freedoms, guaranteed by the rule of law and the institutions of the state, which increasingly takes on the characteristics of the social state.

Social cohesion is often in opposition to the neoliberal concept of the economy and its accompanying market fundamentalism. But even when such an economy needs to be applied, mechanisms for correcting market deviations are introduced through tax policy, the cost of public services, social support and the fight against poverty, including support for social entrepreneurship.

Growth trends in accountability for environmental sustainability

Environmental sustainability becomes a condition and criterion of sustainable development. Although there is no consensus on the measures to tackle global climate change, both within the EU and globally, there is a strong emphasis on the accountability for environmental sustainability across the UN and this is becoming the accountability of all countries claiming EU membership.

A special focus of this responsibility is focused on the use of renewable energy sources and on raising energy efficiency and waste management on the basis of the circular economy. These policies create the obligation to increase efficiency in resource utilization, which opens up opportunities for new business and jobs, so-called Green business.

2.5 Estimation of external and internal environment

This estimation is given according to the sector principle, i.e. for the economy, for the social sector and for the environment and infrastructure.

2.5.1 Estimation of external and internal environment for economy

The elements of the external and internal environment are identified according to the findings of the initial situation analysis for the SC economy and the analysis of trends in the environment that affect the development of the SC economy. In addition, other factors are included, that are relevant to the future development of the SC economy, both in the external and internal environment.¹⁰

Table 14. Results of SWOT analysis for the economy sector of the SC

Opportunities/Threats from external environment			Strengths/Weaknesses in the internal environment		
S/N	Elements	Rank	S/N	Elements	Rank
1	Growth of export markets (EU, CEFTA, EFTA, USA) and domestic markets	8	9	Competitiveness of the Entrepreneurial Sector in the SC	6
2	Availability of EU funds and other sources	7	10	Budgetary support capacity for the economy	5
3	Expansion of global and regional value chains of industry and services	8	11	Competitiveness of public sector and public enterprises	3
4	Technological progress and its availability	8	12	Labour quality in market labour (qualifications, active efforts to raise knowledge, skills and employment)	6
5	Competitiveness in markets of commodities, services and capital	7	13	Public administration (public policy, implementation, evaluation of policy effects, SMEs)	5

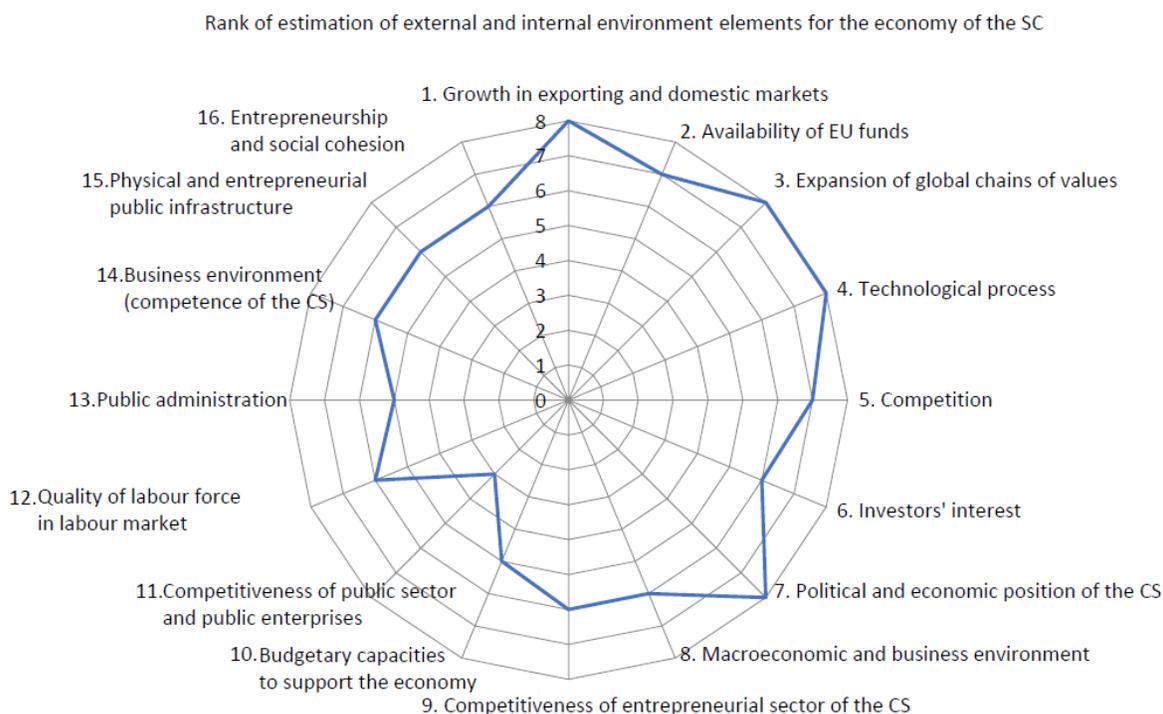
¹⁰The evaluation of the identified elements is given on the basis of the average of team evaluation on workshops, applying the method of comparative analysis of the influence of individual elements of the external and internal environment.

Opportunities/Threats from external environment			Strengths/Weaknesses in the internal environment		
6	Interest of investors in investment in the SC	6	14	Business environment (jurisdiction of the SC)	6
7	Political and economic position of the SC (Sarajevo - capital of BiH)	8	15	Physical and entrepreneurial public infrastructure (entrepreneurial zones, technological incubators),	6
8	Macroeconomic and business environment (jurisdiction of BiH and FBiH)	6	16	Entrepreneurial capacity, integration and social cohesion in economy (new forms of entrepreneurship, co-operation of interested actors, public and private sector, PPP and others)	6
Total		7,3	Total	5,4	

Key: grades on a scale from 1 to 10; grades from 1 to 3 mean threats in external and weakness in internal environment, grades 7 to 10 mean opportunities in external and strengths in internal environment, and grades 4 to 6 have neutral significance.

To summarize, the external environment is expressed in grade 7.3 which indicates a slight intensity of opportunities for the development of the economy, while the internal environment is expressed by grade 5.4, which indicates a neutral effect. The strategic position of the SC economy is reflected in the field of opportunities and on the transition between strength and weakness, indicating the strategic orientation of exploiting the opportunities in the external environment and improving strengths in the internal environment needed to exploit the opportunities. Graphical representation of the results of the estimation for the economy of the SC is given in Graph 3.

Graph 3. Results of SWOT analysis for the economy of SC



Key: External environment elements are numbered 1-8, and internal environment elements 9-16.

From the graphic view it is clear that in the external environment grade 8 evaluated elements of the growth of the export markets (1), the expansion of global value chains which enables the inclusion of companies from the SC in the subcontracting production partnership (3), the availability of technological progress, (4) and the political and economic position of the SC with Sarajevo as the capital of BiH to which the key political and economic interests of investors and other business partners are linked. The worst evaluated, in the external environment, was the investor's interest (6), by the rating 6, which is in the zone of neutral influence.

In the internal environment, the highest score is 6 and it refers to the competitiveness of the entrepreneurial sector of the SC (9), labour supply quality (12), business environment within the scope of the SC (14), physical and entrepreneurial infrastructure (15), and entrepreneurial capacity and social cohesion in the SC economy (16). The lowest score shows the competitiveness of the public sector (11), which is 3 and represents a weakness. This is followed by public administration (13) with grade 4, which is neutral, but much closer to the weaknesses.

2.5.2 Estimation of external and internal environment for social sector

Environmental assessment for the social sector of the SC is given on the same methodological basis as for the SC economy. However, there is an important difference between the social sector and the economy, since the first is much more heterogeneous than the other, so there is a problem of common assessment for different social sector activities.

Table 15. Results of SWOT analysis for the social sector of the SC economy

Opportunities/Threats from external environment			Strengths/Weaknesses in the internal environment		
S/N	Elements	Rank	S/N	Elements	Rank
1	Human rights according to the European Charter on Human Rights	8	9	Capacity of education for production of staff for labour market	6
2	Availability of EU funds and other sources	8	10	Budget support and support of HIF CS for social sector development	5
3	Principles and European policies of social inclusion	8	11	Social inclusion in application in social of the SC	4
4	Technological progress and its availability for the social sector of the SC (public health)	8	12	Human resources quality in the social sector	7
5	Development of new forms of social entrepreneurship	7	13	Public administration (public policy, implementation, evaluation of social sector policy effects)	5
6	Investors' interest in investing in the SC directly and for PPP	8	14	Improving the business and efficiency of performing functions	7
7	Political and economic position of the SC (Sarajevo - capital of BiH)	8	15	State of public security - corruption and crime	5
8	Demographic structure - aging of the population and growth of the share of the younger population	6	16	Entrepreneurship activism - social entrepreneurship and creative industries with attraction of capital and PPP	6
Total		7,6	Total		5,5

Key: grades on a scale from 1 to 10; grades from 1 to 3 mean threats in external and weakness in internal environment, grades 7 to 10 mean opportunities in external and strengths in internal environment, and grades 4 to 6 have neutral significance.

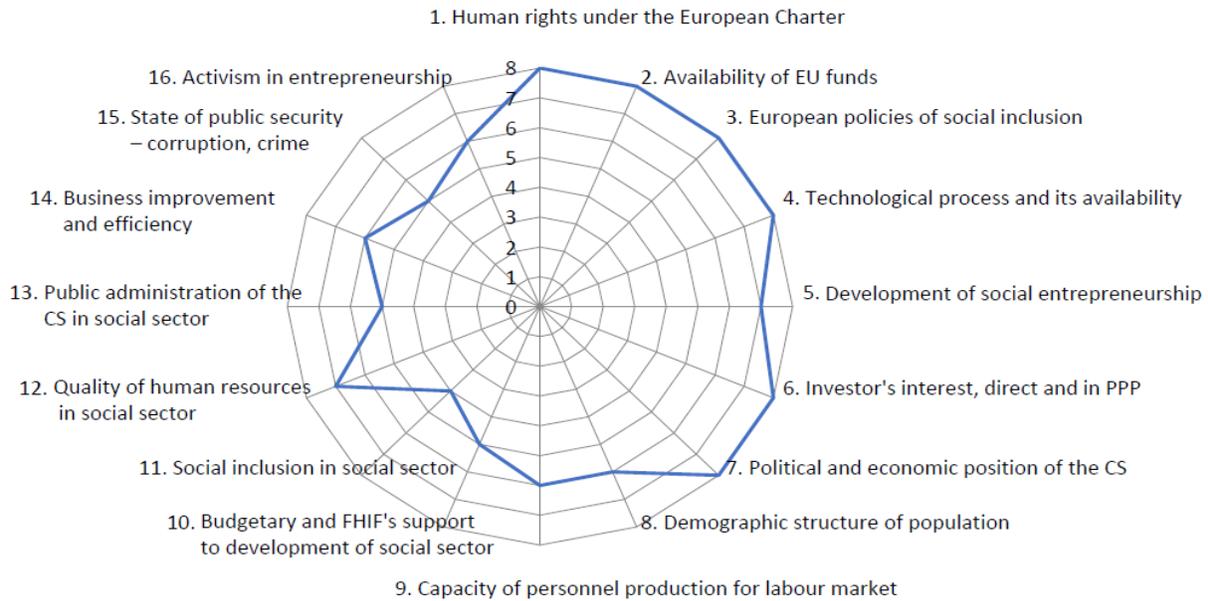
To summarize, the external environment is expressed in grade 7.6 which indicates a slight intensity of opportunities for the development of the social sector, while the internal environment is expressed by grade 5.5, which indicates a neutral effect. The strategic position of the SC social sector is reflected in the field of opportunities and on the transition between strength and weakness, indicating the strategic orientation of exploiting the opportunities in the external environment and improving strengths in the internal environment needed to exploit the opportunities.

From that overview, it is evident that in the external environment the highest value, grade 8, have been given to: human rights under the European Charter on Human Rights (1), the availability of EU funds and other sources for the development of the social sector (2), principles of the European social inclusion policy (3), technological progress and its availability, which is of particular importance to health (4), the interest of investors for investment in the social sector either directly or through PPP - health, education, culture, sport (6), political and economic position of the SC due to the fact that Sarajevo is the capital of BiH - the political, economic, cultural, health and educational centre of the country (7). The slightly lower grades, grade 7, has been given to the external impact on the development of new forms of social entrepreneurship (5) and, by grade 6, the demographic structure

of the population which, with growing numbers of older people, creates additional demand and resources for treatment.

Graph 4. Overview of results of SWOT analysis for the social sector of the SC

Rank of estimation of external and internal environment elements for the social sector of the SC



Key: External environment elements are numbered 1-8, and internal environment elements 9-16.

In assessing the internal environment, the highest grade, 7, was given to the quality of human resources in the social sector (12). A slightly lower grade 6 was assigned to the capacity of production of staff for labour market (9) and entrepreneurship activism in the sense of developing social entrepreneurship and creative industries in the SC (16). Grade 5 was assigned to the element of budget and support of the Health Insurance Fund for social sector development (10), public administration in the social sector (13), state of public safety (15). The lowest grade was given for the element of social inclusion in the social sector in practice (11).

2.5.3. Estimation of external and internal environment for environment and public infrastructure

The assessment of the external and internal environment for the environment and public infrastructure in the SC was given on the same methodological basis as in the previous two sectors.

Table 16. Results of the SWOT analysis for environment and public infrastructure of the SC

Opportunities/Threats from external environment			Strengths/Weaknesses in the internal environment		
S/N	Elements	Rank	S/N	Elements	Rank
1	EU environmental sustainability policies and the Europe 2020 Program	8	9	Regulations and capacity of public administration	6
2	Obligations to control and reduce emissions under Kyoto agreement	6	10	Availability of personnel and consultancy services	6
3	Green businesses and job potentials	8	11	Air and water supply quality	5
4	Technological progress and its availability in the field of environment and infrastructure	8	12	Contribution of green businesses to economic growth and employment	5
5	Certification of products according to environmental standards as technical barrier to exports	6	13	Illegal construction and how to solve it	3
6	Investors' interest in infrastructure and circular economy investments	8	14	State of public infrastructure in water supply and wastewater treatment	5
7	Political and economic position of the SC (Sarajevo - capital of BiH)	8	15	Financial Support for public infrastructure investment	7

Opportunities/Threats from external environment			Strengths/Weaknesses in the internal environment		
8	Availability of financial resources for financing infrastructure construction	8	16	Liberalization of public infrastructure business and use of resources on the basis of PPP and private capital	3
Total		7,5	Total		5,0

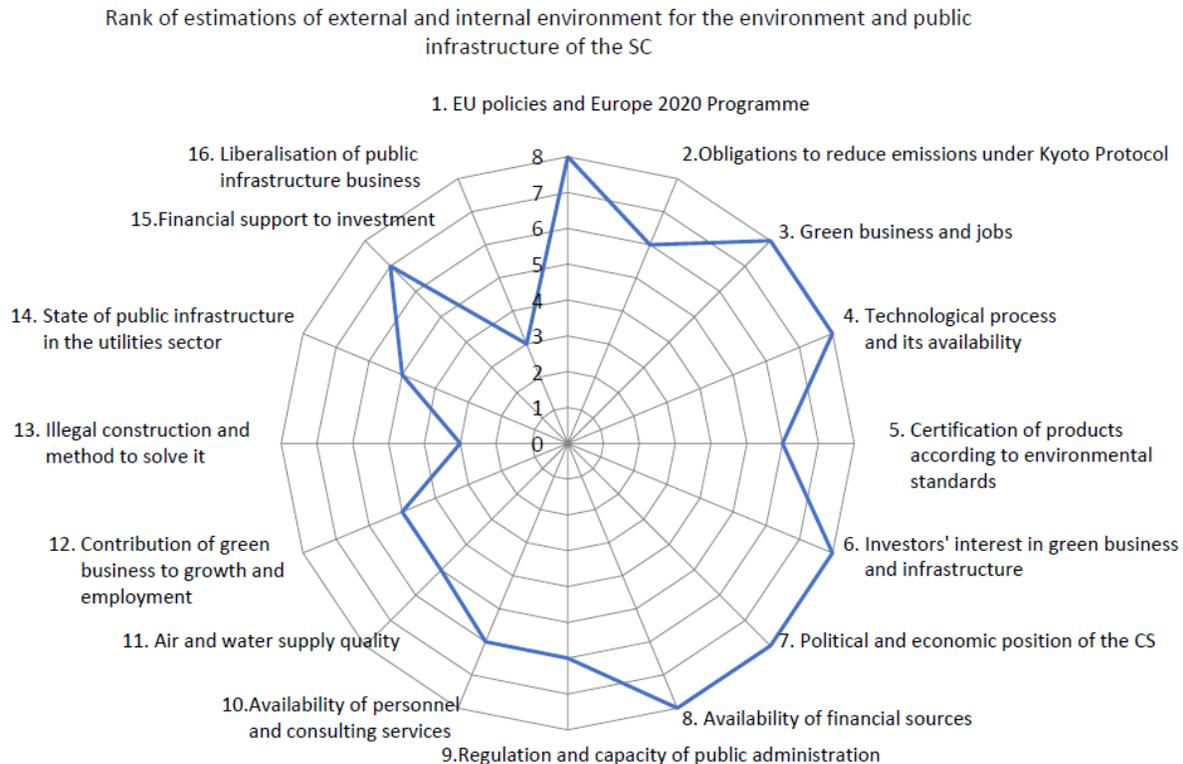
Key: grades on a scale from 1 to 10; grades from 1 to 3 mean threats in external and weakness in internal environment, grades 7 to 10 mean opportunities in external and strengths in internal environment, and grades 4 to 6 have neutral significance.

To summarize, the external environment is expressed in grade 7.5 which indicates a slight intensity of opportunities for the development of the environment and public infrastructure sector in the SC, while the internal environment is expressed by grade 5.0, which indicates a neutral effect. The strategic position of the SC economy is reflected in the field of opportunities and on the transition between strength and weakness, indicating the strategic orientation of exploiting the opportunities in the external environment and improving strengths in the internal environment needed to exploit the opportunities. The results of the environmental and public infrastructure evaluation of BiH are given in Graph 5.

From the overview, the highest grade 8 in the external environment was given to the elements: EU policies and the Europe 2020 program (1), opportunities for creating green businesses and new jobs (3), technological progress and its availability (4), investors' interest in green businesses (6), the political and economic importance of the SC due to the fact that Sarajevo is the capital of BiH (7), and the availability of sources of public infrastructure financing (8). The elements: obligation to reduce the emission of gases from the Kyoto Protocol (2) and certification of products according to the environmental standards (5) were given grade 6.

In assessing the elements of the external environment, the highest grade, 7, was given to the element of financial support for investment through EBRD loans (15). Grade 6 was given for quality of regulation and public administration (9) and availability of staff and consultancy services (2), and grade 5 for quality of air and water supply (11) and contribution to green business growth and job creation (12). The lowest grade, 3, was given for the element of illegal construction and how it is solved (13) and the liberalization of public infrastructure business (16).

Graph 5. Overview of results of the SWOT analysis for environment and public infrastructure of the SC



Key: External environment elements are numbered 1-8, and internal environment elements 9-16.

In the summary, the sector SWOT analysis pointed to the strategic positions of individual sectors vis-à-vis external and internal environments. All three sectors have quite similar positioning, i.e. in all the external environment is much more favourable than the built-up competitive power in the internal environment.

2.6 Key strategic challenges and focuses for further development of the SC

Based on the internal quantitative and qualitative analysis of the current situation in the SC, the observed opportunities and threats in the narrower and wider environment of the Canton, the general conclusions related to public administration in the SC, several key strategic challenges and the focus appear the SC has to face in the coming years. The observed strategic challenges are the result of the evaluation of internal and external factors in the SC. These are the following challenges:

Strategic challenges of the SC

a) How to ensure employment growth (better paid jobs)?

This also takes into account the need to preserve as many jobs as possible, whose sustainability may be questioned due to the need for restructuring of the public sector and the continuing high exposure of the entrepreneurial sector to market and political risks. Another important issue is how to ensure the link between education and the needs of the labour market and to achieve the necessary activism for job search and how to motivate young people during education and studies to build their future career (dual system of secondary school education, holiday vocational training, volunteer work, suggestions for employers to improve business, entrepreneurial projects and so on).

b) How to achieve faster and more sustainable economic growth and change of economic structure?

This challenge is of utmost importance and has its two sides. The first is that the SC has no built-up forces for a major turnaround to re-industrialisation that would allow the industry to increase the volume of production and raise the quality of industrial products for export. The second is that the SC has relatively good conditions for strengthening the export services sector through a variety of services from the domain of information-communication business, business services and tourism. Strengthening export offers is the basis of supply-side orientation of the SC to economic growth through increased production. This is an optimal strategy for the SC because it is to overcome the limits of a small domestic market. In addition, the growth of export offer will increase the purchasing power of the population and develop the domestic market that is essential for the development of a range of other economic and social activities (trade, finance, transport, construction, telecommunications, health, education and others).

c) How to restructure the public sector and achieve budget sustainability?

The public utility sector is the first issue and it requires changes to government policies in the public utilities sector and the improvement of corporate governance in that sector. In general, public spending of the SC should not be drastically reduced (austerity policy), but there is the need to implement structural reforms, i.e. to restructure this spending and allocating funds (for example, instead of subsidies to public utilities, increase allocations for university, science, research and studies in different fields that will contribute to the SC development) and achieve its higher efficiency. There is a special challenge to open space for private capital for public services and for the greater penetration of public-private partnerships in the field of public services.

d) How to improve the meeting of social needs and increase social inclusion?

Reforms in health, education, culture and sport, social protection, public administration and other areas are needed to achieve the required level of efficiency, ensure the level of public investment needed and the application of scientific achievements and new organizational models. A particular goal of reform must be to achieve a higher level of social inclusion and strengthen the institutionalization of the fight against poverty and

corruption. In the conditions of growing demand for a number of social service providers, the private sector and PPP become an increasingly important factor in generating public service offer.

e) How to achieve the activism of beneficiaries of social benefits and budget transfers?

Activism of beneficiaries of social benefits needs to be developed through stimulating measures of social protection, so that the status of protected persons is to a greater extent temporary and focused on the permanent solution of active economic activity that creates a much higher level of social cohesion in the society of the SC. This should also be supported by the development of rural areas, farm and property production, the establishment of cooperatives, social entrepreneurship and other forms of activism. A special form of entrepreneurship activism needs to be developed in those social areas that can market their services on a commercial basis (film, TV and other media, arts, sports and other) by supporting the development of creative industries in the SC which already have some achievements.

f) How to live in a healthy and environmentally friendly environment and use it in an economically efficient and sustainable way?

Poor regulation and its non-implementation threaten to devastate the living and economic space in the SC. On the other hand, it is necessary to overcome the approach in which environmental protection is a social cost. This is primarily to be achieved through more complete programs of energy efficiency, building, adequate protection and rescue and waste management on the basis of the circular economy where waste is treated in the value chain cycle as input raw material to create new value.

g) How to increase the level of public investment and attract PPP?

Public investment with PPP-based investments must have constant representation in annual plans. The Golden Rule for Public Investments should be set from 1 to 1.5% of GDP in the SC to provide a constant contribution to public investment in the development of the SC.

The said strategic challenges are also the basis for defining strategic focus for further work on the SC Development Strategy by 2020. Strategic focusing is based on the unique internal forces which the SC has in place, as well as on key shortcomings and challenges that need to be resolved in the next few years.

In addition to the findings from the SWOT analysis, care was also taken of the links with the focus of European development documents, development and sector strategic documents in BiH as well as the Reform Agenda for BiH 2015-2018. Here, first of all, it is about development management as the key mechanism for strategy implementation required by the strategic planning methodology.

The listed strategic challenges are focused on the base strategic focus:

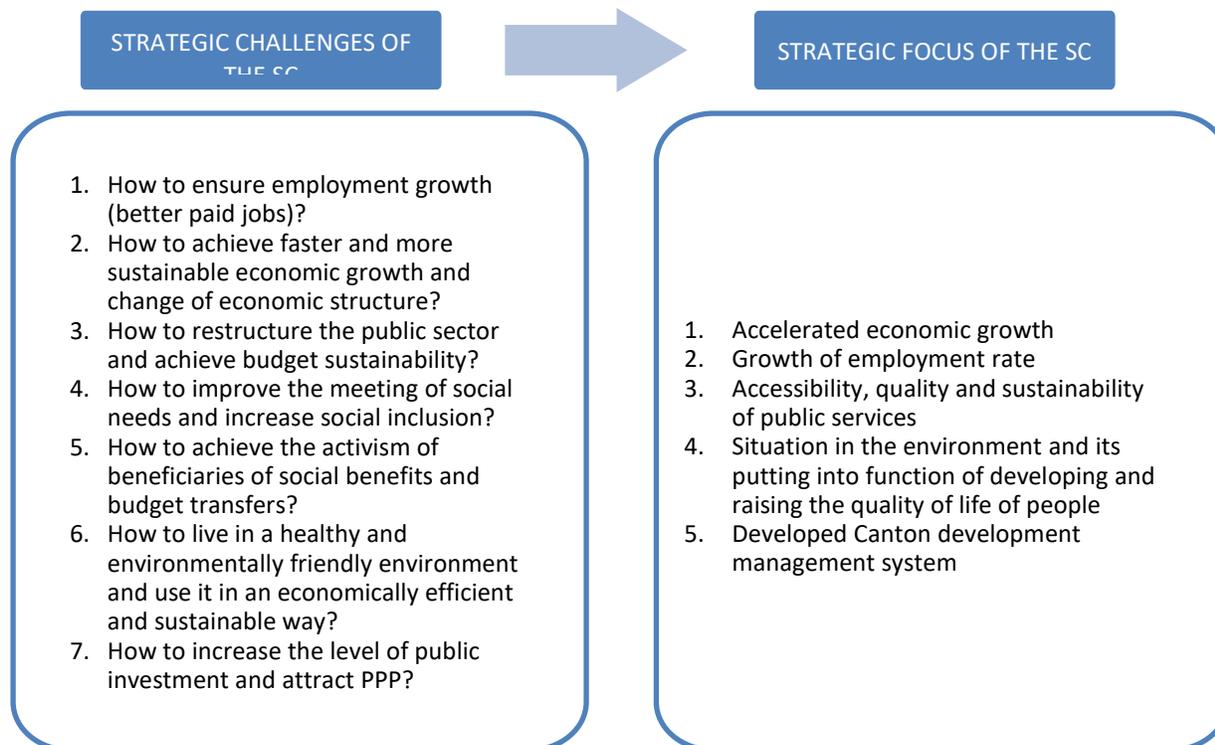
Base focus: Quality of life of citizens in the SC

Using the identified strategic advantages/strengths of the Canton and exploiting opportunities in the environment, the SC will work on improving the quality of life of citizens of the SC through building competitiveness on the basis of:

- accelerating economic growth
- creating new and preserving existing jobs with better pay
- strengthening social cohesion and social inclusion of all citizens
- improvements and availability of public services
- achieving environmental sustainability
- development management.

The final version of the strategic focus was achieved by joining the strategic strengths and weaknesses, opportunities and threats that work in the SC environment. The following diagram illustrates the link between strategic challenges with strategic focus of the SC.

Scheme 2. Link between strategic challenge and strategic focus



By combining the individual SWOT analysis findings, the basis for defining the five strategic focuses in further work on the Integrated Development Strategy of the SC 2020 has been created.

Strategic focus 1 Accelerated economic growth

Solving the problem of slow economic growth is the foundation of the future economic and social development of the SC. The focus resulted primarily from the observed weaknesses in the SC, but also from the available incentives from the external environment. In this connection, future actions in the SC should focus on, inter alia:

- change in the economic structure in the direction of increasing the share of high value-added products and services on the basis of improving the business environment, attracting powerful investors and offering quality workforce,
- strengthening the entrepreneurial sector based on quality entrepreneurial infrastructure, support to *start-up* projects and applying new forms of entrepreneurship such as social entrepreneurship, development of cooperatives, farms, self-employment, crafts, creative industries and PPPs,
- development of products and services for tradable goods and services with focus on wood, metal, beverage and food industry, pharmaceuticals, construction, tourism, ICT and other business services,
- restructuring and revitalization of the communal sector with the enhancement of the quality and sustainability of public utilities with the liberalization of the sector and opening up space for modernization and the introduction of private capital in various forms of PPPs.

Strategic focus 2. Growth of employment rate

Employment is certainly one of the indicators of overall social progress, one of the most important factors of economic development, and social problems of unemployment cannot be shown materially, human and psychological consequences of permanent unemployment are immeasurable.

The issue of solving unemployment is a crucial issue of total development. Employment points in a specific way to the level of development because it is not just an economic variable, employment impact is multidimensional. Employment is the primary component of a country's welfare. Resolving employment not only causes greater economic effects but also a whole range of social, undesirable effects.

Resolving the growth of employment rate will be achieved by:

- harmonization between supply and demand in the labour market and reduction of structural unemployment, establishment of a dual education system
- implementing effective re-qualification programs and adult education
- development of entrepreneurial culture and activities as well as social entrepreneurship

Strategic Focus 3 Accessibility, quality and sustainability of public services

Analyzing internal resources in the SC, there was a great room noticed for improving the existing availability, quality and sustainability of public services. In particular, disadvantages were noticed in the fields of social protection, health, education, culture, sport, security (protection and rescue), the fight against crime and corruption and public administration with a focus on PPP, a creative economy, and health, cultural and sports tourism. Resolving the mentioned problems should be initiated by taking advantage of the opportunities from the external environment through:

- developing capacities of educational institutions to produce staff for labour market needs,
- improving the application of new technologies and models of organization of public health activities,
- encouraging the proactive role of persons in the state of social needs and generally vulnerable social groups with the aim of achieving their social inclusion,
- organized social activities on prevention of corruption, crime, drug and human trafficking and other security threats with a view to preventing the development of diseases, family and social harm, including natural and other disasters as obstructionists of economic development and growth,
- creating conditions to improve the public sector social service supply by private entrepreneurs or on the basis of PPPs,
- raising activism of institutions to develop appropriate forms of entrepreneurship in creative industries.

Strategic focus 4. Situation in the environment and its putting into function of developing and raising the quality of life of people

One of the biggest challenges in future development of the SC is, of course, establishing a balance between putting the environment into function of development and its protection. The above mentioned can be achieved by using the opportunities from the external environment with the development and activation of its own human and organizational capacities through:

- liberalization of waste management business for the development of circular economy and development of green businesses,
- accelerating investments in the development of public infrastructure,
- mobilization of natural and other resources for development based on PPP,
- creating a competitive environment in the communal economy and attracting investors through PPP or direct investment.

Strategic Focus 5 Developed Canton development management system

Adequate management of Canton development is the basis for implementing all future strategic goals in the SC. This implies increasing the capacity of the state administration to increase its efficiency, strengthening the rule of law and combating corruption, all in order to create a business environment and provide public services essential for economic development. Also, the development management system is a pervasive component and prerequisite for effectively achieving the goals of the Integrated Development Strategy of the SC, as well as measures and instruments in all pillars.

In attempting to solve the identified shortcomings in the existing development management system in the Canton, and using positive trends and opportunities from the external environment, the Canton will focus on the following:

- maintaining public finance sustainability,
- reform of public administration and improvement of environmental regulations and space and capacity of public administration and public and other companies to implement this regulation,
- strengthening cooperation with municipalities and social partners in order to manage development,
- combating corruption and crime, and preventing the emergence of natural and other accidents in order to create a better sense of citizen security,
- participation of citizens in Canton development based on belonging and responsibility,
- improving the preparation, implementation and evaluation of public policy effectiveness.

2.7 Development vision

The vision depicts the aspiration of the SC to become a contemporary European region, oriented to sustainable development aspects, where development is seen as a multidimensional process of economic, social, environmental, spatial and institutional transformation with the aim of improving the quality and standard of living of citizens. The development of the SC is based on industrial and human resources, natural and tourism potentials, and rich cultural and historical heritage and clean environment. This development is characterized by the principle of sustainability and integration, where each sector retains its basic development goals and they jointly achieve them in the form of balanced development.

Vision of development of the SC

"The Sarajevo Canton is a European, dynamic, creative and culturally diverse region of pleasant living and profitable business".

Implementation of the SC Development Strategy by 2020 will result in a more enjoyable and quality life of SC citizens who have the opportunity to provide a decent standard of living, educational opportunities according to European standards and a complete healthy and creative life.

The SC becomes competitive on the road to the European Union, with significantly altered export-oriented economic structure, with a strong contribution of science, research and development, technology parks and the IT sector to overall development.

The SC is a space where public services are available to both residents and investors, with built infrastructure for investment in business and industrial zones.

The SC is the leading tourist centre in the region that preserves the heritage of community values, cultural diversity of people and their warmth in which rural development is in the function of development of tourism and in the function of valorisation of domestic, organic, quality, standardized products.

The SC is the centre of creative industries in BiH, and wider in the region it uses recognizable creative human potential. With the growth of tourism, which is largely linked to culture and cultural heritage, the development of

creative industries is the real lever of socio-economic development of the Canton, in which sport and culture are valorised in creating added value in overall development.

The SC is the leader in responsible management of limited resources and the environment as an essential condition of a healthy and fulfilled life.

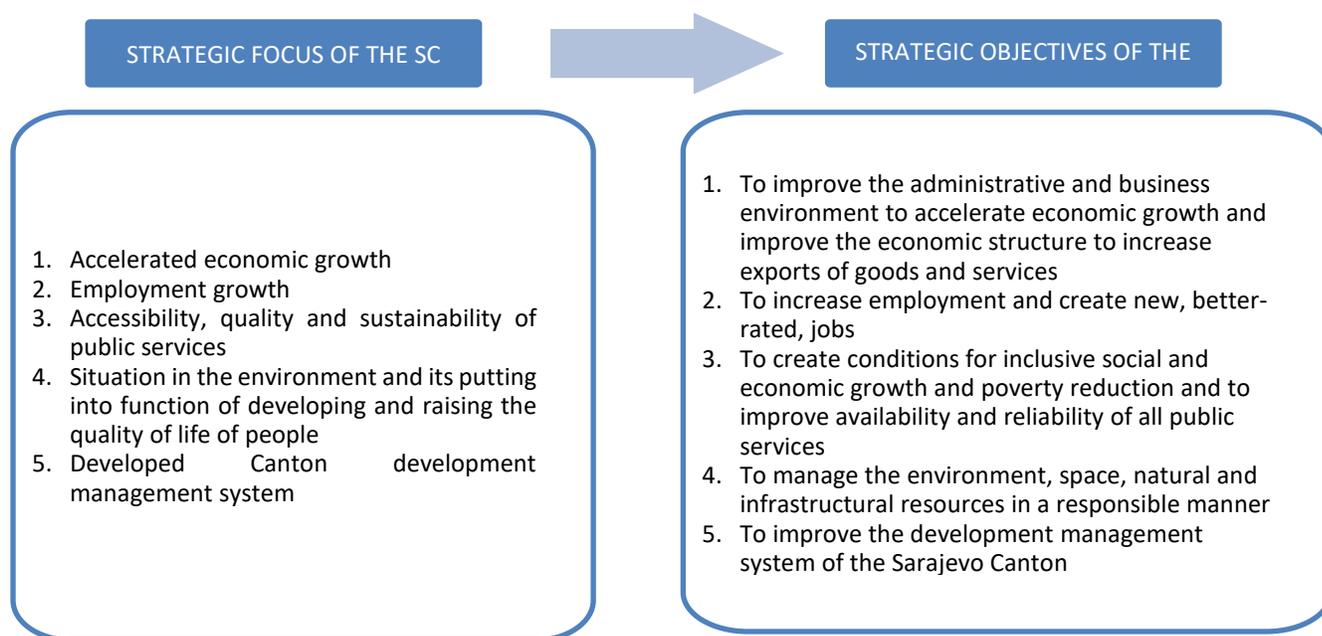
The SC is responsible for managing financial resources and with enhanced public administration capacities it uses the funds available from international funds.

The SC is a space in which all citizens are recognized as developers with a developed sense of belonging to the Canton, who feel this space as their own, close, and therefore proactively shape the conditions of life, work and business.

2.8 Strategic and priority objectives

Based on the strategic focus and vision of the SC, five strategic goals are defined that provide synergistic effects between economy, environment and society, with full respect for the interests of local government. They have distinct sector focus but are simultaneously integral and interconnected.

Scheme 3. Link between strategic focus and strategic objectives in the SC



Strategic objective 1: To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services

Significance of accelerating economic growth of the SC through the improvement of administrative and business environment primarily stems from the fact that it is difficult to anticipate major changes in the re-industrialisation of the Canton in the near future, and thus increase in the volume of production and quality of industrial products for export. On the other hand, we are witnessing the gradual expansion of export services such as information technology, business services and tourism. Strengthening this segment can also be the cornerstone of future economic growth of the SC. An additional advantage of this strategy is the fact that the increase in exports

will increase purchasing power of the population, which should ultimately be reflected in the development of other important economic and social activities such as trade, transport, construction, telecommunications, health, education, etc.

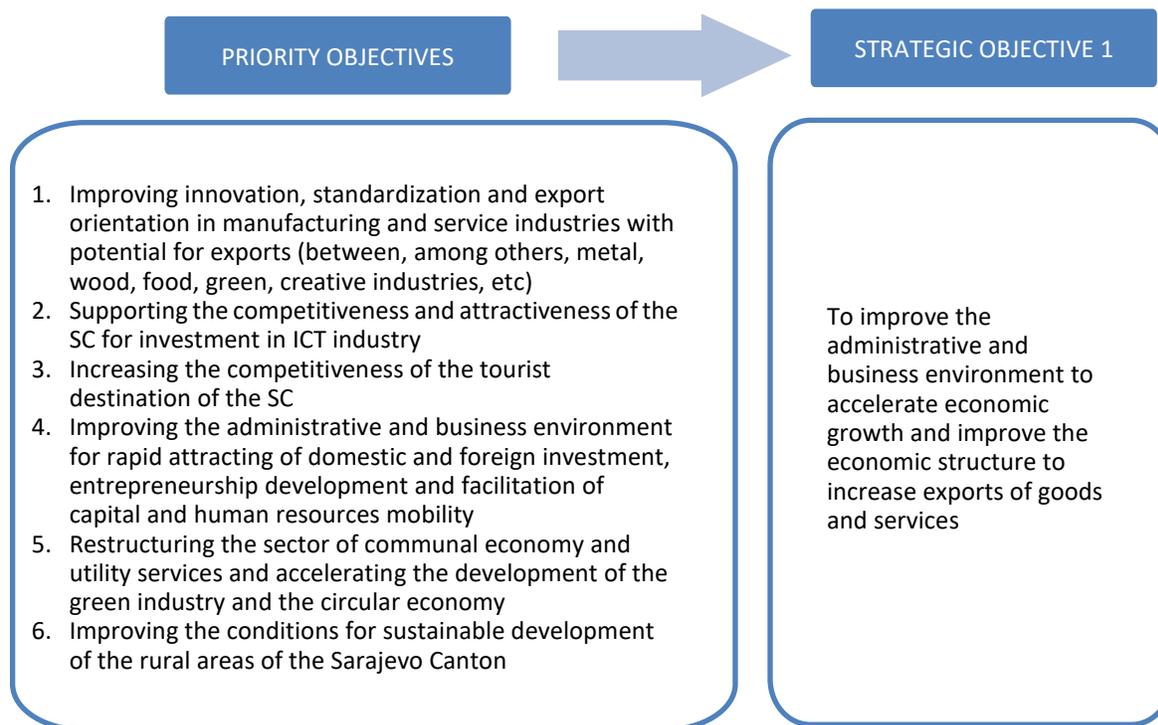
The level of implementation of the defined strategic goal will be monitored through several key indicators of impact (the SC development index, GDP/per capita and rank by "WB - Ease of Doing Business") based on which the level of changes in the Canton will be assessed. For each indicator, initial values in 2014¹¹ have been defined, as well as target values in 2020. The following table summarizes impact indicators with initial and target values for the first strategic goal of the SC.

Strategic objective 1	Impact indicator	Initial value 2014	Target value 2020
To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	Index of development of the SC	138,6	143.2
	GDP/per capita in KM	13.955	17.600
	Rank - Business ease according to WB ¹²	104	60

Strategic objective 1 Priority objectives

In order to operationalize the first strategic objective, six intersectoral priority objectives have been defined which should contribute to its realization.

Scheme 4. Link between priority objectives and strategic objective 1



¹¹The initial values of all indicators for 2014 are given according to the official published data of the Federal Statistical Office, the Federation Institute of Programming, the Ministries of the SC, as well as the estimates of the KS Development Planning Institute.

¹²Under the WB methodology, <http://www.doingbusiness.org/rankings>

The outcomes of the defined priority objectives should, among other things, contribute to changes in the index of the physical volume of the manufacturing industry, the share of manufacturing industry exports in the total industry, the number of business entities in the ICT industry, the number of employees in the ICT industry, the number of tourist visits, the number of employees per 1,000 inhabitants, the total income of the SC, etc, all with the aim of contributing to the achievement of impact indicators such as the index of development of the SC, GDP per capita, etc.

No.	Priority objectives	Outcome indicator	Initial value 2014	Target value 2020
1.1	Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	Index of physical volume of manufacturing industry	101,7	102,1
		Participation of export of manufacturing industry in total industry (%)	67,1	69,1
		Amount of realized investments in manufacturing industry in 000 KM	81.712	88.211
		Number of employees in the secondary sector as at 31/12	23.697	24.717
		Import-export coverage (%)	24,9	30,5
		Development of technology science and innovation (budget allocation - % GDP)		1,5
1.2	Supporting the competitiveness and attractiveness of the SC for investment in ICT industry	Amount of realized investments in ICT in 000 KM	149.524	190.000
		Number of business entities in ICT industry	836	1.050
		Number of employees in ICT industry	7.489	11.000
		Average net salary in ICT industry	1.270	1,500
1.3	Increasing the competitiveness of the tourist destination of the SC	Number of tourist visits	301.319	450.000
		Number of tourist overnight stays	579.553	950.000
		Number of business entities in hotel industry and hospitality	2.699	2.810
		Amount of realized investments in hotel industry and hospitality in 000 KM	34.629	40.250
1.4	Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility	Number of business entities per 1,000 inhabitants	72.5	80,0
		Total amount of realized investments in 000 KM	1.029.177	1.777.112
		Number of employees as at 31/12	125.921	140.000
		Amount of average net salary as at 31/12	1.050	1.150
1.5	Restructuring the sector of communal economy and utility services and accelerating the development of the green industry and the circular economy	Total income in million KM	293,1	311,2
		Loss (in million KM	68,6	55,0
		Operating assets in million KM	1.501,3	1.602.2
		Capital in million KM	918,9	980,5
		The average number of employees	5.151	5.035
		Investments in the communal economy (million KM)	7,2	100,0
1.6	Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton	Average number of employed in agriculture and forestry as at 31/12	919	930
		Harvested surface in ha	4.737	4.812
		Number of productive fruit trees	837.807	852.211
		Total production of forestry assortments in 000 m ³	136	145
		Total amount of realized investments of agricultural holdings in 000 KM	4.163	4.230
		Agriculture and forestry income, in million KM	44,4	54,0

Strategic objective 2: To increase employment and create new, better-rated, jobs

Bearing in mind that unemployment is one of the biggest problems in the SC, and that existing jobs are not adequately valued in a large number of cases, another strategic goal has been defined which should create a framework for future priorities in the SC. Some of the key challenges facing the SC will be to ensure better links between education and labour market needs, as well as motivation and job search activism.

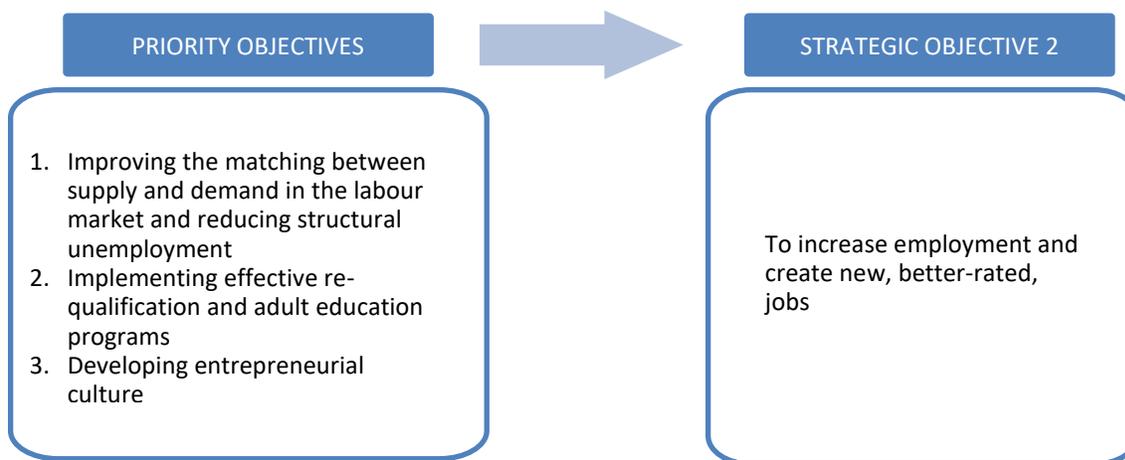
The degree of realization of the defined strategic goal will be monitored through several key indicators of impact (labour force, employment rate of labour force in relation to number of inhabitants, unemployment rate, and average net salary) based on which the degree of changes in the Canton can be assessed. The following table summarizes impact indicators with initial and target values for the second strategic goal of the SC.

Strategic objective 2	Impact indicator	Initial value 2014	Target value 2020
To increase employment and create new, better-rated, jobs	Labour force	197.336	202.232
	Employment rate of labour force (%)	41,8	49,5
	Unemployment rate (%)	36,2	30,1
	Average net salary as at 31/12 (KM)	1.050	1.150

Strategic objective 2 Priority objectives

For the purpose of operationalization of the second strategic goal, four intersectoral priority objectives have been defined which should contribute to its realization. Priority objectives include key sector priorities that have the greatest cross-sectoral impact on development, and thus impact indicators.

Scheme 5. Link between priority objectives and strategic objective 2



The outcomes of the defined priority objectives should, among other things, contribute to increasing the number of employed, reducing the number of unemployed, increasing the amount of funds for active employment measures, increasing the number of re-qualified persons, increasing the number of trades and SMEs, etc, all with the aim of contributing to the achievement of impact indicators such as labour force, number of employed, number of unemployed, etc.

No.	Priority objectives	Outcome indicator	Initial value 2014	Target value 2020
2.1	Improving the matching between supply and demand in the labour market and reducing structural unemployment	Number of employed - 31/12	125.921	140.117
		Number of unemployed - 31/12	71.415	62.115
		Share of long-term unemployed persons in total unemployed (%)	78,4	60,0
		Share of employed with university degree in total employed (%)	29,3	33,0
2.2	Implementing effective re-qualification and adult education programs	Funds for active employment measures, in KM	5,750,010	12.000.000
		Number of persons covered by active employment measures	1.045	2.000
		Funds for training and re-qualification	-	300.000
		Number of persons completing training and re-qualification	-	200
2.3	Developing entrepreneurial culture	Number of business entities/1,000 inhabitants	72,5	80,0
		Rate of women employed (%)	55,1	40,2
		Rate of youth employed (%)	14,6	18,0
		Number of unemployed persons with disabilities	1.106	909

Strategic objective 3: To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services

Strategic objective 3 creates a framework for achieving higher quality of life, service level, social inclusion and strengthening institutionalization of the fight against poverty. In order to achieve this, significant reforms in health, education, culture and sports, social protection, public administration and other related areas will be necessary. Strategic goal 3 also has a significant intersectoral effect because reduction of costs in health, social protection, education and other public services would create savings which would affect purchasing power of the population, and hence the development of the domestic market.

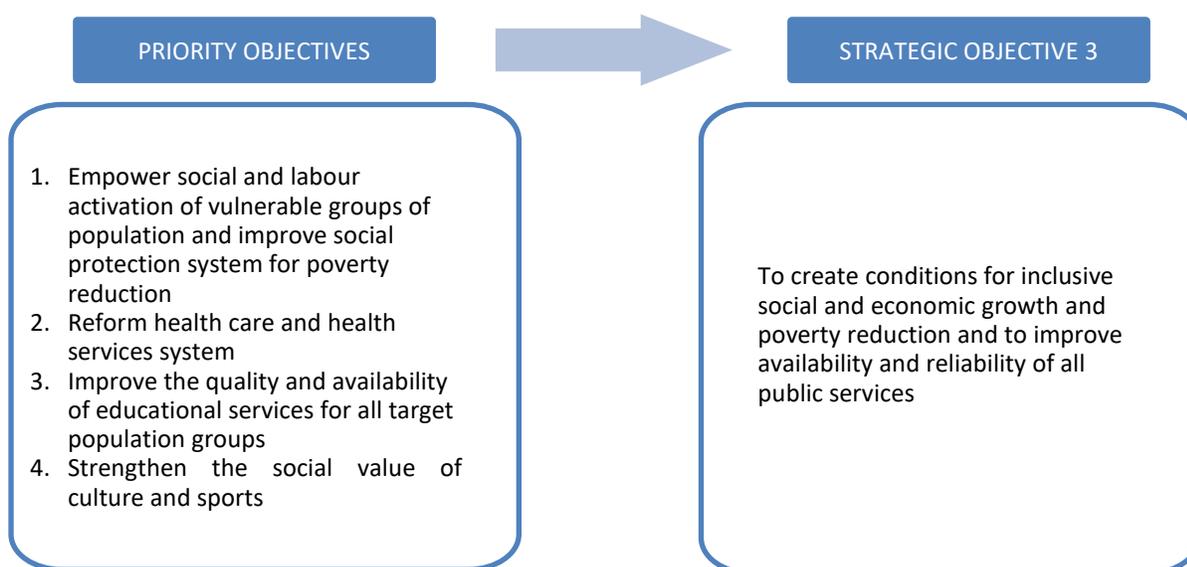
The level of implementation of the third strategic objective will be monitored through several key indicators of impact (degree of social exclusion of the population, number of primary and secondary school students/1,000 inh. and infant mortality rate) based on which the degree of changes in the Canton will be assessed. For each indicator, initial values in 2014 have been defined, as well as target values in 2020. The following table summarizes impact indicators with initial and target values for the third strategic goal of the SC.

Strategic objective 3	Impact indicator	Initial value 2014	Target value 2020
To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	Level of social exclusion of population (ln%)	48,5	40,0
	Number of primary and secondary school students/1,000 inhabitants	120,7	130
	Infant mortality rate (in%)	6,35	6,0

Strategic objective 3 Priority objectives

For the purpose of operationalization of the third strategic goal, four intersectoral priority objectives have been defined which should contribute to its realization. Priority objectives include key sector priorities that have the greatest cross-sectoral impact on development, and thus impact indicators. Expected results of the priority objectives are directly related to the indicators of impact on the level of the strategic objective and contribute to the realization of the target values in 2020.

Scheme 6. Link between priority objectives and strategic objective 3



No.	Priority objective	Outcome indicator	Initial value 2014	Target value 2020
3.1	Empower social and labour activation of vulnerable groups of population and improve social protection system for poverty reduction	Number of children in preschool institutions	4.004	5.000
		Average monthly appropriations from the Budget per beneficiary according to the law (in KM)	114,8	130
		Budget participation of Allocated funds for protection under the law (in%)	9,5	Below 9%
		Long-term unemployment rate (share of long-term unemployed in total unemployed) (in%)	78,4	60
		Share of unemployed demobilized war veterans, family members of killed war veterans, war veteran invalids and other invalids in total unemployed (in%)	15,5	10,0
3.2	Reform health care and health services system	Number of inhabitants/1 PHC physician	1.186	1.170
		Number of inhabitants/1 dentist	1.986	1.960
		Number of PHC points/100,000 inhabitants	36,87	40
		Number of inhabitants/1 family medicine team	2.224	Below 2,000
		Coverage of inhabitants by health insurance (%)	95,8	98,5
3.3	Improve the quality and availability of educational services for all target population groups	Morbidity rate	1,26	Below 1.1
		Average number of primary school pupils per 1 computer	29,1	20
		Average number of high school students per 1 computer	11,1	8
		Average number of primary school pupils per 1 Internet access	41,0	28,2
		Average number of high school students per 1 Internet access	14,0	10,1

No.	Priority objective	Outcome indicator	Initial value 2014	Target value 2020
		Average number of computers per 1 primary school	24	35
		Average number of computers per 1 high school	64,6	90
		Number of students (University of the SC and private higher education institutions)	34.069	35.500
		Allocation from the Budget for education (according to COFOG Classification, 097) (in%)	0,75	1,5
		Number of foreign students	2.650	5.000
3.4	Strengthen social value of culture and sports	Number of participants in the sport system	30.100	30.300
		Allocations from the Budget for sports (in%)	0,49	0,6
		Number of projects of the cultural/creative industry - applied to EU funds (Creative Europe)	0	10
		Support to non-profit organizations in culture and sport, share in Budget (in%)	0,9	1,1
		Total number of visitors to the theatre and concerts of the Philharmonia/number of inhabitants (share in%)	16,8	20

The outcomes of the defined priority objectives should, inter alia, contribute to the reduction of the number of beneficiaries under the law of all aspects of protection, reduction of long-term unemployment rate, a reduction in the number of residents/1 PHC doctor, a reduction in morbidity rate, an increase in the number of HE institutions, an increase in the number of foreign students, an increase in the number of participants in the sport system, etc, all with the aim of contributing to the implementation of indicators such as the degree of social exclusion of population, number of primary and secondary school students/1,000 inh., infant mortality rate, etc.

Strategic objective 4: To manage the environment, space, natural and infrastructural resources in a responsible manner

Strategic objective 4 is the basis for responsible management of environment, space, natural and infrastructural resources. Responsive management of space and infrastructure resources will have different intersectoral effects that will, among other things, be reflected in the key performance indicators of the economic and social development of the SC. The planned will be achieved through more complete programs of energy efficiency, building, adequate protection and rescue measures and waste management on the basis of circular economy, etc

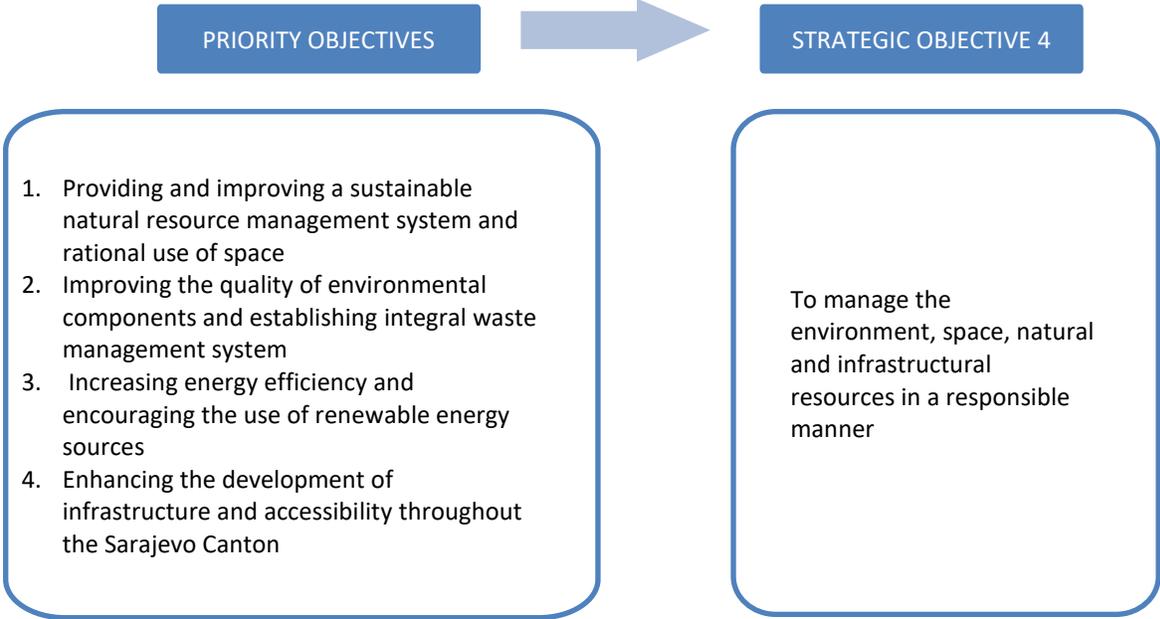
The degree of realization of the fourth strategic objective will be monitored through several key indicators of impact (water losses, household coverage with wastewater collection services, amount of collected municipal waste), based on which the degree of changes in the Canton can be assessed. For each indicator, the initial values in 2014 as well as the target values in 2020 have been defined in the following table.

Strategic objective 1	Impact indicators (SC)	Initial value (2014)	Target value (2020)
To manage the environment, space, natural and infrastructural resources in a responsible manner	Water losses of ViK (water supply and sewage company) (technical and administrative) (%)	75	60
	Coverage of households by wastewater collection services - urban area (%)	75	85
	Quantity of total disposed waste (t/year)	242.132	220.000
	Quantity of separately collected waste (%):		
	Paper	45	60
	Plastic	6	20
	Glass	10	50
	Quantity of collected household waste (kg/inh.):	460	450

Strategic objective 4 Priority objectives

For the purpose of operationalization of the second strategic goal, four intersectoral priority objectives have been defined which should contribute to its realization. Priority objectives include key sector priorities that have the greatest cross-sectoral impact on development, and thus impact indicators. Expected results of the priority objectives are directly related to the indicators of impact on the level of the strategic objective and contribute to the realization of the target values in 2020.

Scheme 7. Link between priority objectives and strategic objective 4



	Priority objective	Outcome indicator	Initial value 2014	Target value 2020
4.1	Providing and improving a sustainable natural resource management system and rational use of space	Area of protected natural areas (ha)	2.930,3	3.091,2
		Number of wastewater treatment plants	1	2
		Capacity (ES)	5.000	605.000
		Percentage of microbiologically contaminated and physically and chemically defective drinking water samples - wells in BSK, urban water supply system, Ilijaš, Hadžići	0	0
		Percentage of microbiologically contaminated and physically and chemically defective drinking water samples - local water supply systems	2,15	1,90
4.2	Improving the quality of environmental components and establishing integral waste management system	Average annual value of floating solid particles in the air - automatic station Otoka (PM10) ($\mu\text{g}/\text{m}^3$)	59	40
		Average annual value of sulphur dioxide (SO ₂) - mobile station Ilidža ($\mu\text{g}/\text{m}^3$)	53	50
		Average annual value of nitrogen dioxide (NO ₂) - automatic station Alipašina ($\mu\text{g}/\text{m}^3$)	68	50
		Number of recycling yards	0	5
		Number of built niches	951	1.050
4.3	Increasing energy efficiency and encouraging the use of renewable energy sources	Number of public facilities where energy efficiency measures are implemented	7	150
		Number of objects in the EMIS system	195	400
		Number of public facilities for which detailed energy audits were made	17	150
4.4	Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	Population connected to water supply system (%)	95,74	98
		Population connected to local water supply systems (%)	4,26	2
		Total water consumption per capita ($\text{m}^3/\text{pc.}$)	55	60
		Total length of water supply network (km)	1.128	1.200
		Total length of sewerage network (km)	1.378	1.600
		Energy/Energy sources consumption (GWh)	4.119	4.400
		Energy consumption per capita (MWh/pc)	9,26	10,0
		Total length of gas distribution network (all pressure levels) (km)	1.330	1.360
		Number of customers with natural gas consumption	54.050	56.000
		Total arranged areas of cemeteries managed by cantonal public utility company KJKP "Pokop" (m^2)	721.438	761.438

The outcomes of the defined priority objectives need, inter alia, to contribute to increase the number of experts in the environmental sector, the increase in the number of inspectors, the area of protected natural areas, the number of ES covered by municipal water treatment, the average annual concentration of floating solid particles in the air, the average annual concentration of soot, the average annual NO₂, number of illegal landfills, recycling level, number of heated public utilities, amount of electricity produced from renewable sources, number of inhabitants connected to water supply system, total water consumption per capita, total length of sewerage network etc, with the aim of contributing to the achievement of impact indicators such as water losses, household coverage by wastewater collection, etc.

Strategic objective 5: To improve the development management system of the Sarajevo Canton

Adequate management of the development of the SC creates a framework that should ensure the implementation of all the strategic objectives set out in the Integrated Development Strategy of the SC. Primarily, this implies increasing the capacity of the state administration to increase its efficiency, strengthening the rule of law and combating corruption, all in order to create a business environment and provide public services. One of the

most important priorities in the Canton development management system is the creation and management of the SC brand that will position the SC in the wider region and Europe.

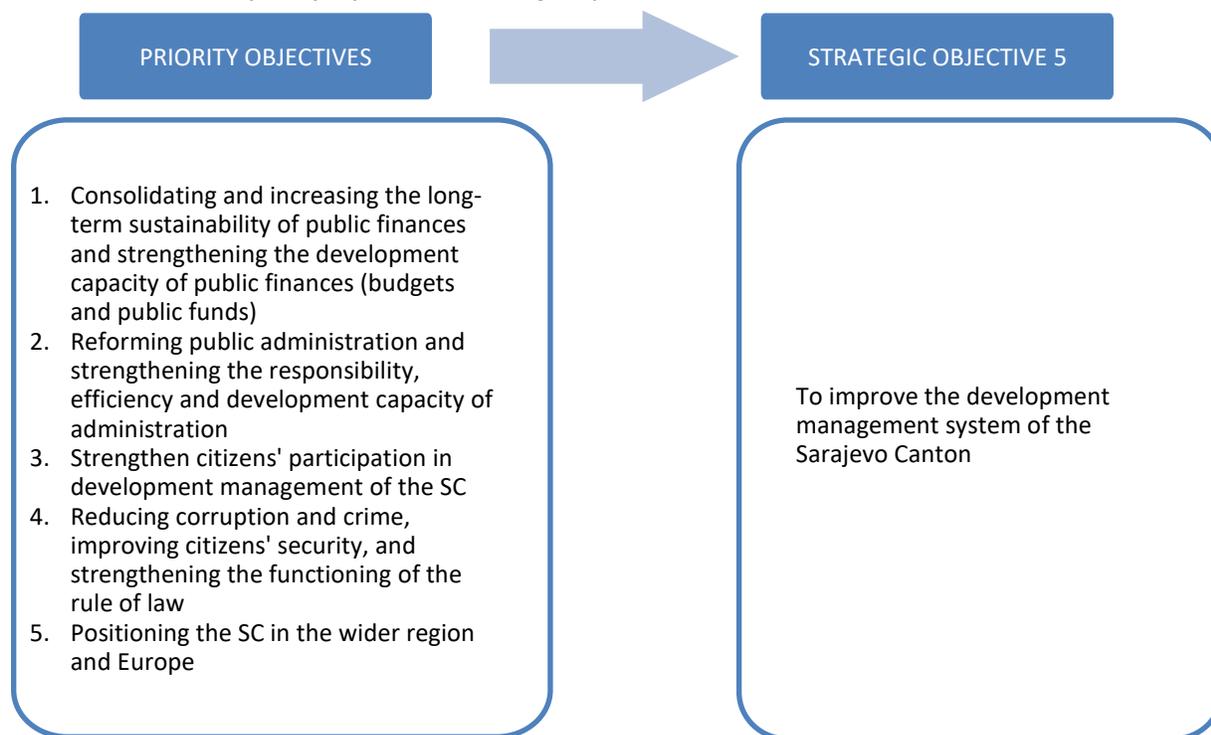
The level of implementation of the fifth strategic objective will be monitored through several key indicators of impact. The following table summarizes impact indicators with initial and target values for the fifth strategic objective of the SC.

Strategic objective 5:	Impact indicator	Initial value 2014	Target value 2020
To improve the development management system of the Sarajevo Canton	Budget of the SC/pc (KM)	1.486	1.670
	Capital investment from the Budget of the SC/pc (KM)	72,7	80,0
	Rank - city according to quality of life ¹³	161	140

Strategic objective 5 Priority objectives

In order to operationalize the fifth strategic objective, five intersectoral priority objectives have been defined which should contribute to its realization. Priority objectives include key sector priorities that have the greatest cross-sectoral impact on development, and thus impact indicators. Expected results of the priority objectives are directly related to the indicators of impact on the level of the strategic objective and contribute to the realization of the target values in 2020.

Scheme 8. Link between priority objectives and strategic objective 5



The outcomes of the defined priority objectives should, inter alia, contribute to the participation of tax revenues in total budget revenues, indebtedness of the SC, total debt of the SC, the income from rent, the amount

¹³<https://www.imercer.com/content/mobility/quality-of-living-city-rankings.html>

of incentives for small economy, the number of projects in PIP of the SC co-funded with municipalities, the number of municipalities involved in the PIP, the number of projects toward the EU and other international funds, the number of associations in the SC, the number of criminal offenses in the SC area, the number of foreign tourists, the growth of investments etc, with the aim of contributing to the achievement of impact indicators such as the SC budget/pc, tax revenues/pc, etc.

No.	Priority objective	Outcome indicator	Initial value 2014	Target value 2020
5.1	Consolidating and increasing the long-term sustainability of public finances and strengthening the development capacity of public finances (budgets and public funds)	Share of tax revenues in total budget revenues, in %	86,8	90,0
		Tax revenues/pc (KM)	236	270
		Income from the rent, in million KM	0	50
		Realized public investment, million KM	64,3	80,0
		Incentive measures for small businesses, million KM	0	5,0
5.2	Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration	The number of incomplete IP forms and those without supporting documents in the nominated projects (2015)	40	0
		Projects in PIP SC co-financed with municipalities (% in total)	16,0	30,0
		Number of local communities involved in PIP SC	0	10
		Participation of EU and other sources in the financing structure of PI, in%	66,6	75,0
		Number of projects towards EU and other funds	0	20
5.3	Strengthen citizens' participation in development management of the SC	Mechanisms of cooperation between governmental and non-governmental sectors	none	yes
5.4	Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law	Share of criminal offenses with unknown perpetrator in total committed (%)	37,1	30,0
		Number of juvenile perpetrators of criminal offenses	134	90
		Number of traffic accidents	10.974	9.800
		Number of reported cases of corruption	0	20
		Level of job positions taken	71.2%	85%
		Number of interventions	12.294	12.000
5.5	Positioning the SC in the wider region and Europe	Saved assets in%	95,7	98,0
		Import-export coverage	24,9	33,0
		Investment growth - per year,%	8,0	10,0
		Number of products with the SC trademark	0	10
		Average stay of tourists/day	1,9	2,1

2.9 Relation with planning documents

With a view to ensuring vertical and horizontal integration and compliance with the SC strategic framework, the consistency of each strategic objective with higher level strategic documents has been observed, including, inter alia, compliance with the Strategy for Smart, Sustainable and Inclusive Growth - Europe 2020, then with the SE Strategy 2020, the EU Strategy for the Danube Region, the BiH Growth and Employment Agreement, the Strategy for a Prosperous and Integrated Adriatic-Ionian Region, and the Reform Agenda supported by the Council of Ministers of BiH, the Government of FBiH and Cantonal Governments.

When it comes to the strategic development goals of the SC, their link with the objectives from the strategic framework of higher levels of government in BiH and EU is presented in the following tables.

Strategic objective 1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services

Table 17. Compatibility of Strategic objective No. 1 with higher level strategic documents

Strategic documents	Objectives of strategic documents
Europe 2020	<ul style="list-style-type: none"> • Smart growth - knowledge-based and innovation-based economy • Sustainable growth
SEE 2020	<ul style="list-style-type: none"> • Integrated growth • Smart growth • Sustainable growth
EU Strategy for the Danube Region	<ul style="list-style-type: none"> • Connecting the Danube Region (culture and tourism) • Building prosperity (knowledge-based society, research, education, information technology)
Growth and Employment Agreement of BiH	<ul style="list-style-type: none"> • Company reforms - company restructuring process • Business climate and environment
For a prosperous and integrated Adriatic-Ionian region	<ul style="list-style-type: none"> • Connecting the Region • Sustainable tourism
Reform agenda for BiH for the period 2015-2018	<ul style="list-style-type: none"> • Business climate and competitiveness

Strategic objective 2: To increase employment and create new, better-rated, jobs

Table 18. Compatibility of Strategic objective No. 2 with higher level strategic documents

Strategic documents	Objectives of strategic documents
Europe 2020	<ul style="list-style-type: none"> • Incentive growth - encouraging the economy of high employment rates, with the result of economic, social and territorial cohesion • Smart growth (knowledge and innovation)
SEE 2020	<ul style="list-style-type: none"> • Smart growth • Inclusive growth (skills, new jobs)
EU Strategy for the Danube Region	<ul style="list-style-type: none"> • Building prosperity (investing in human skills, knowledge-based society)
Growth and Employment Agreement of BiH	<ul style="list-style-type: none"> • Reducing barriers to job creation, labour market reform • Business environment
For a prosperous and integrated Adriatic-Ionian region	<ul style="list-style-type: none"> • Sustainable tourism (new jobs)
Reform agenda for BiH for the period 2015-2018	<ul style="list-style-type: none"> • Labour market • Public administration reform (value-based determination of wages)

Strategic objective 3: To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services

Table 19. Compatibility of Strategic objective No. 3 with higher level strategic documents

Strategic documents	Objectives of strategic documents
Europe 2020	<ul style="list-style-type: none"> • Inclusive growth (a high-rate employment economy that brings economic, social and territorial cohesion)
SEE 2020	<ul style="list-style-type: none"> • Smart growth (culture and creative sector) • Inclusive growth (employment, health)
EU Strategy for the Danube Region	<ul style="list-style-type: none"> • Connecting the Danube Region (cultural cooperation, contacts between people) • Building prosperity (investing in human skills)

Strategic documents	Objectives of strategic documents
Growth and Employment Agreement of BiH	<ul style="list-style-type: none"> Reducing barriers to job creation
For a prosperous and integrated Adriatic-Ionian region	<ul style="list-style-type: none"> Connecting the Region
Reform agenda for BiH for the period 2015-2018	<ul style="list-style-type: none"> Labour market Reform of social protection and pensions

Strategic objective 4: To manage the environment, space, natural and infrastructural resources in a responsible

Table 20. Compatibility of Strategic objective No. 4 with higher level strategic documents

Strategic documents	Objectives of strategic documents
Europe 2020	<ul style="list-style-type: none"> Sustainable growth
SEE 2020	<ul style="list-style-type: none"> Sustainable growth
EU Strategy for the Danube Region	<ul style="list-style-type: none"> Environmental protection (water, risks, air, soil ...)
Growth and Employment Agreement of BiH	
For a prosperous and integrated Adriatic-Ionian region	<ul style="list-style-type: none"> Quality of the environment Sustainable tourism
Reform agenda for BiH for the period 2015-2018	

Strategic objective 5: To improve the development management system of the Sarajevo Canton

Table 21. Compatibility of Strategic objective No. 5 with higher level strategic documents

Strategic documents	Objectives of strategic documents
Europe 2020	<ul style="list-style-type: none"> Sustainable growth
SEE 2020	<ul style="list-style-type: none"> Growth management (efficiency of public services, anti-corruption, judiciary)
EU Strategy for the Danube Region	<ul style="list-style-type: none"> Strengthening institutional capacities and security (strengthening institutional capacities and co-operation, security issues and suppression of organized crime)
Growth and Employment Agreement of BiH	<ul style="list-style-type: none"> Corruption (legal state and public administration reform)
For a prosperous and integrated Adriatic-Ionian region	<ul style="list-style-type: none"> Connecting the Region
Reform agenda for BiH for the period 2015-2018	<ul style="list-style-type: none"> Public finances, taxation and fiscal sustainability Rule of law and good governance Public administration reform

2.10 Trends in budget spending of SC

2.10.1 Overview of the previous period

The Sarajevo Canton budget is the binding framework of activities of the public sector and financially represents a plan of revenues and expenditures. The budget drafting and execution is based on the principles of unity, accuracy, balance and legality of the budget, universality principle, effectiveness, efficiency and transparency. The preparation of the annual budget is based on the budget calendar and the Framework Budget Paper covering at least one fiscal year and two following years. Budget structure consists of tax and non-tax revenues, as the dominant sources of budget funds, then grants, donations, capital inflows and financing bill.

Graph 6. Total planned and realized revenues for the period 2009-2014. (in million KM)



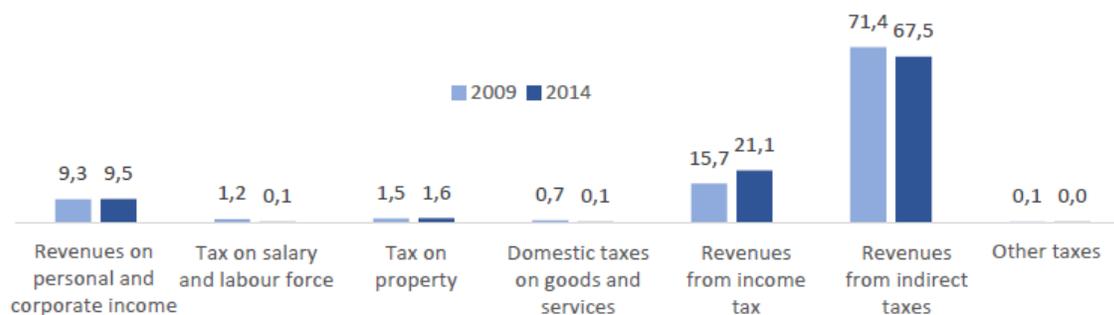
	2009	2010	2011	2012	2013	2014
Total planned revenues	681,2	704,9	716,5	758,8	739,7	666,7
Total generated revenues	671,3	652,7	651,7	647,5	606,2	614,8

Source: Sarajevo Canton Ministry of Finance, Reports on Budget Execution of Sarajevo Canton

It is evident that there was a disagreement between the planned and realized revenues and receipts in the observed period, which is particularly pronounced in the period from 2010 to 2013. In 2014, there was a positive shift in the direction of more realistic budget planning. However, in 2014 the Sarajevo Canton has the highest amount of budget per capita (population present) compared to other Cantons in the Federation of BiH; the budget of the Tuzla Canton per capita amounts to approximately 626 KM, Bosansko-Podrinje Canton Goražde approximately 927 KM, while the Sarajevo Canton budget per capita is approximately 1,397 KM.

Throughout the observed period, the highest share of planned revenues was realized through tax revenues, ranging from 80.58% in 2009 to 86.25% in 2014. In 2014, realized tax revenues are lower by 11 million KM compared to the 2009 realization. The biggest trend of decline is in indirect tax revenues in an absolute value of 27 million KM (the share of indirect tax revenues in total tax revenues in 2014 fell to 67% compared to 71% in 2009).

Graph 7. Structure of tax revenues in 2009 and 2014 (%)



Source: Sarajevo Canton Ministry of Finance, Reports on Budget Execution of Sarajevo Canton

In the same period, this decline was compensated by the percentage increase in income tax revenues, which increased by 31% from 2009 until the end of 2014, as a consequence of the changes of the Income Tax Law within the Federation of BiH.

When it comes to budget expenditures, the decrease is evident from 671,428,342 KM in 2009 to 620,857.599 KM in 2014. This trend is a consequence of the global economic crisis but also of internal developments in BiH and the Sarajevo Canton.

Table 22. Budget expenditures realized in the period 2009-2014

Expenditures	2009.	%	2014.	%
Salaries and reimbursement of costs to employees	224.803.755	33,5	250.248.689	40,3
Employer's contributions and other contributions	22.150.640	3,3	25.281.685	4,1
Expenses for supplies and services	56.469.640	8,4	48.891.680	7,9
Current transfers	287.101.275	42,8	222.738.070	35,9
Loan commitments	356.447	0,1	3.706.696	0,6
Capital transfers	37.780.557	5,6	32.114.594	5,2
Expenditures for the purchase of fixed assets	19.968.215	3,0	22.699.578	3,7
Lending facilities	441.000	0,1	1.256.000	0,2
Debt payments	899.399	0,1	13.920.607	2,2
Current reserve	0	0,0	0	0,0
Excess of expenditures over revenues	21.457.415	3,2	0	0,0
Total	671.428.343	100,0	620.857.599	100,0

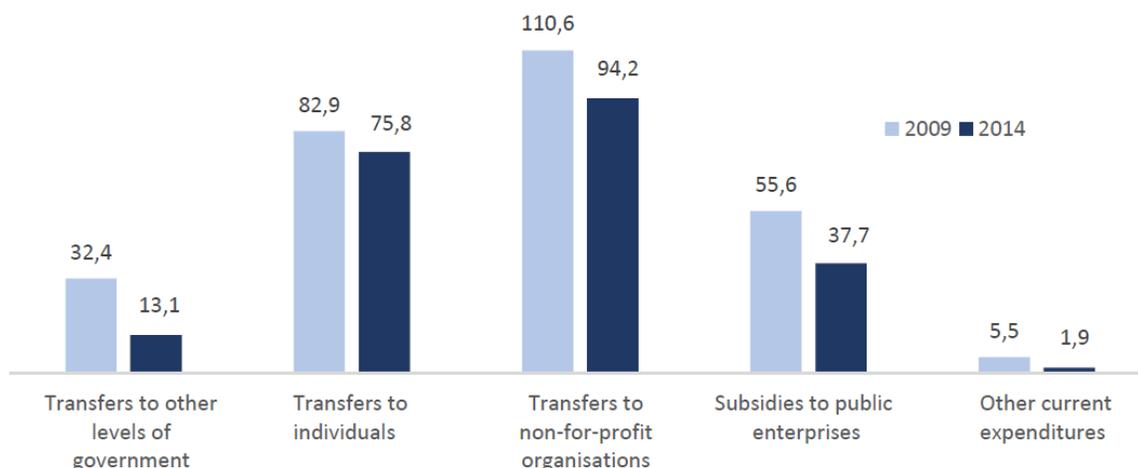
Source: Sarajevo Canton Ministry of Finance, Reports on Budget Execution of Sarajevo Canton

In the structure of expenditures, the largest share of total expenditures refers to current transfers, which in the structure of total expenditures have a 42.7% fall of total expenditures in 2009 to 35.9% in 2014. Salaries, allowances, contributions and other employee expenses recorded a significant increase both in absolute amount and in percentage share in total annual expenditures, from 36.8% in 2009 to 44.4% in 2014. This is the result of the fact that the number of employees in the observed period increased from 10,618 to 11,451 (an increase of 7.8%). It is also important to point out the enormous increase in expenditures for outstanding debts and debt repayments, which increased from approximately 0.9 million KM in 2009 to approximately 14 million KM .

Current transfers financed from the Canton budget are most often related to current transfers to non-profit organizations, current transfers to individuals, participation and subsidies to public companies, participation and transfers to other levels of government, and other current expenditures.

Current transfers to non-profit organizations, which have the highest percentage and range from 34% to 42.3% of total current transfers, mostly relate to institutions under the umbrella of the Ministry of Education, Science and Youth and the Ministry of Culture and Sports. When it comes to the current transfers to individuals, most of them are based on the programs and policies of the Ministry of Labour, Social Policy, Displaced Persons and Refugees of the Sarajevo Canton. Subsidies to public enterprises of the Canton relate mainly to public utility companies to cover costs related to uncompetitive prices, covering business losses or direct budget allocations for the work of the given organizations.

Graph 8. Structure of current transfers in 2009 and 2014 (in million KM)



Source: Sarajevo Canton Ministry of Finance, Reports on Budget Execution of Sarajevo Canton

Compared to 2009, the value of current transfers from the Sarajevo Canton Budget in 2014 is lower by approximately 63 million KM, with the largest percentage fall in the categories of transfers to other levels of government, subsidies to public companies and other current expenditures.

With the fall of total budgetary allocations in the period from 2009 to 2014, there was a negative trend for appropriations for capital transfers, which were reduced by approximately 6 million KM in absolute terms. However, if we observe the year 2014, the growth in appropriations for capital transfers is evident in comparison to 2013 in the approximate amount of 12 million KM.

Capital transfers to non-profit organizations (39.1%), capital transfers to public enterprises (33.5%) are predominant in the capital transfer structure in 2014, while capital transfers to other levels of government account for 19.6% and capital transfers to individuals 9.8%. In the category of capital transfers to public companies, the most prominent allocations are related to the payment of previously assumed liabilities of the Cantonal Government for investment projects of GRAS (4.7 million KM from the total of 10.1 million KM in this category). In the category of expenditures for the purchase of fixed assets, an average of 20 million KM was allocated in the observed period. Significant growth is only noticeable in 2014, at close to 23 million KM.

The said gap between budget revenues and expenditures has so far been financed by new borrowing, which is why debt growth is accelerating. Starting from the amount and dynamics of the maturity of public debt obligations and related fiscal cuts, the possibilities for new budget debts have been significantly reduced.

It is evident that in the period under review there was a constant fall in all revenues, and only in 2014 there was a noticeable gradual stabilization and even some positive shifts in the structure of expenditures themselves. The largest decline in revenues in the period 2009-2014 was realized in revenues from indirect taxes in the absolute value of 28 million KM.

Budget allocations for salaries and compensations to employees in the public sector of the Canton recorded a growth trend in the period from 2009 to 2014, of 7.8%. The Cantonal Government plans to rationalize the number of employees in the Canton institutions.

The existing declining trend of capital transfers has a direct impact on the reduction of capital projects at lower levels of government. This affects the need for further restrictive planning and greater control of expenditures of the Sarajevo Canton. Expenditures for the financing of public utility companies through current transfers to public companies have a downward trend, which needs to be maintained in a way that from the aspect of the application of legal regulations we start the introduction of new tariff policy, i.e. the price of utility services, with adequate social policy. Funds made with this kind of savings should then be redirected to capital and development projects.

Public Investment Program

In the Federation of BiH Budget Law, special attention is devoted to the Public Investment Program, which is a tool for managing and reporting on development programs and projects - public investments. Public investments are part of the budget funds planned to be invested in significantly increasing non-financial assets through the acquisition of infrastructure, construction facilities, land and equipment.

The main objective of preparing the PIPSC is to harmonize development projects with real sources of funding. PIPSC, as a planning tool, enables better use of budget funds and better access to foreign sources of funding, since budget funds are not sufficient for multi-year financing of projects. The Public Investment Program of the SC (PIPSC) is prepared every year by the rolling system and adopted by the Government of the SC.

The program includes current and nominated projects, whose implementation should contribute to the quality of life of citizens and security. Investments/projects relate to all areas of activity (sectors) from education, infra and superstructure to social security and environmental protection.

The total number of projects (running and nominated) in 2014 is 129 and is lower by about 40% compared to the total number of projects in 2009.

The total planned value of the projects (running and nominated) is over one billion KM for the observed years, i.e. in 2014 it is less by 0,2% compared to 2009.

Table 23. Basic Indicators of PIP SC in 2009 and 2014

Project status	2009			2014			Index 2014/2009 (%)		
	Number of projects	Projected value of projects (million KM)	Planned budget (million KM)	Number of projects	Projected value of projects (million KM)	Planned budget (million KM)	Number of projects	Projected value of projects (million KM)	Planned budget (million KM)
Current, total	174	916,4	118,5	87	760	80,2	50,0	82,9	67,7
Total participation of the Sarajevo Canton	174	778,9	84,0	84	366,2	33,7	48,3	47,0	40,1
Other sources of finance	24	137,5	34,4	41	393,9	46,6	170,8	286,5	135,5
Participation of the Sarajevo Canton in%	100	85	70,9	96,6	48,2	42			
Participation of other sources of funding in%	13,8	15	29,1	47,1	51,8	58			
Nominated, total	38	110	38,5	42	264,1	43,9	110,5	240,1	114,0
Total participation of the Sarajevo Canton	35	70,6	9,3	34	72,4	2,4	97,1	102,5	25,8
Other sources of finance	9	39,3	29,2	21	191,7	41,5	233,3	487,8	142,1
Participation of the Sarajevo Canton in%	92,1	64,2	24,2	81	27,4	5,4			
Participation of other sources of funding in%	23,7	35,8	75,8	50	72,6	94,6			
TOTAL (current and nominated)	212	1.026,3	157,0	129	1.024,10	124,1	60,8	99,8	79,0
Total participation of the Sarajevo Canton	209	849,5	93,4	118	438,5	36	56,5	51,6	38,5
Other sources of finance	33	176,8	63,6	62	585,6	88,1	187,9	331,2	138,5
Participation of the Sarajevo Canton in%	98,6	82,8	59,5	91,5	42,8	29			
Participation of other sources of funding in%	15,6	17,2	40,5	48,1	57,2	71			

Source: PIPSC 2009-2011, PIPSC 2014-2016.

The funds of the SC Budget in the total planned value of all projects (1.028 billion KM) in 2014 are 42.8% or 438.5 million KM and compared to 2009 they are lower by 61.5% or by 411 million KM.

In 2014, other sources of funding in the total projected value of projects amounted to 585.6 million KM and accounted for 57.2% and are higher by 408.8 million KM or 3.3 times.

The new legal solutions call for connecting the PIP with the strategic planning and budgeting process, which puts public investment projects into function of implementation of sector policies and strategic goals defined within the jurisdiction of the SC and FBiH. This will ensure a better link between the priority projects and the process of

allocation of all available resources for their realization as well as the planning of the allocation of funds planned through the process of drafting the Framework Budget Paper.

2.10.2 Guidelines for budget spending

In the forthcoming mid-term budget period, it is realistic to expect budget spending to continue to be burdened by budget deficit financing. Deficit financing has been present since 2008 when the level of revenue generated was insufficient to cover the actual expenditures of budget users in the SC, and the necessary reform measures in the area of spending were not undertaken or if they were taken, they were not sufficient to ensure balance of revenues and expenditures. The Government of the Canton will work with fiscal burdens in this period with regard to fiscal pressures related to the settlement of domestic claims, the repayment of foreign debt and the increase in the costs of social benefits. Therefore, it will be necessary to continue with the restrictive public spending policy.

Fiscal policy measures such as public works, public employment projects, tax rate changes, automatic stabilizers - automatic change of tax revenues and transfer payments, in the Sarajevo Canton, as a lower level of authority not entrusted to those competencies, are difficult to reach. Most often this happens indirectly from the higher levels of government to the lower, so that, for example, The SC may very rarely influence the change in tax rates as they are most commonly made at the Federation level for all Cantons or, for example, public works often cannot be the subject of public expenditures of the SC Budget which is already burdened by the entire education system (from pre-school to higher education) and the internal affairs system and, to a large extent, the justice system (Cantonal Court, Municipal Court, Cantonal Prosecutor's Office, Public Attorney's Office). Therefore, it is necessary to look at the fiscal system of the SC within the real and potential framework, which implies providing good information to higher levels of government on comparison of the overall revenue potential of the SC with the expense burden of this level of authority so that the higher levels of government would have a realistic picture of the overall state and could take the above fiscal policy measures.

What is visible from the 2015 annual budget is that the SC Government has expressed its readiness to decisively move forward in the future period in the reforms that will ultimately result in not only a reduction in current budget spending but also a rational spending of budget resources. Total budget revenues for 2015 are planned in the amount of 690 million KM, and further in 2016 amount to 669.5 million KM, and in 2017 670.5 million KM. The largest difference in total revenues between 2015 and the following years consists of transferred funds from previous years that have not been spent (approx. 21 million KM), deferred, and unspent credit facilities (8.4 million KM), as well as the funds planned from the company privatization (6 million KM). What is important to point out is that the SC Government will plan to reduce the current deficit in the coming period, starting with 2015, and from 2018 it plans to balance the budget without entering into deficit financing. If we look at the details, we see that in 2015 there is planned borrowing of 20 million KM, and 22.5 million KM in 2016 and 2017 each, which will be finally determined by the adoption of the Canton Sarajevo budget for the mentioned years.

When it comes to budget expenditures, in the annual budget for 2015 we have the total amount of planned expenditures of 690 million KM, where a part of the accumulated deficit from previous years is 20.6 million KM. Total planned capital transfers and expenditures in the budget for 2015 are planned at the level of 71.3 million KM out of which 35.1 million KM are dedicated revenues, 19.3 million KM budget funds, 6.6 million KM own funds, 8.4 million KM transferred funds, and 1.5 million KM receipts. Total current transfers in 2015 are planned in the amount of 226.8 million KM, of which 21.3% goes to subsidies to public companies. In the following years, there was no significant fall in this amount that is maintained at the level of 212 million KM in 2016 and 2017.

An important aspect of the analysis of the budget spending plan in the forthcoming period is also the functional classification, which was done by the SC Ministry of Finance, where we saw that from the total planned annual budget for 2015, 61% of the budget is allocated to public order and security, education and social protection sectors. In the next two years, these three sectors carry more than 71% of all budget expenditures.

The SC Government announced the readiness to maintain the stability of the financial system and respect the budget balance. Prerequisite is the rationalization of public spending, which will lead to efficient management and effective public spending which will enable in short term the control of the accumulated deficit and the stability of the overall public debt, looking mid-term. The main policies of the SC Fiscal Policy for the next period, which should also contribute to the tax policy and public expenditure policy, are based on a number of key determinants, such as the development of a competitive environment (both in infrastructure and through investment of new foreign investment especially in segment of the wood processing industry, metal industry, development of ICT services and tourism); strengthening social justice (greater control of abuse of social benefits); protection and effective environmental management (using dedicated resources at the Ministry of Physical Planning and Environmental Protection); making healthcare more efficient (Ministry of Health and Health Protection Fund of the SC - electronic recipe delivery system improvement); taking preventive measures to reduce the number of landslides, floods, traffic accidents, fog, smog and air pollution that have a significant impact on human health and traffic; improvement of the judicial segment; organizing a more competent and effective public administration.

Guidelines for linking strategic objectives and priorities of the SC with budgetary resources:

- In the forthcoming period, the SC Government should look at the dynamics and purpose of dedicated expenditures by budget users and work towards linking strategic objectives and priorities for the period 2016 -2020 with spending of these funds. Namely, in the budget for 2015, from the total planned annual revenues of 43.8 million KM, 18 million KM or 42% was transferred from the previous period. In the forthcoming plight, these funds should be used for development projects of the Canton.
- The SC Government needs to embark on a structural reform of public enterprises which it owns and for the purpose of their market reorganization and self-sustainability, and thus the release of significant funds in the next budgetary periods (approx. 40 million KM per year). It is necessary to work on more efficient spending of existing material and human resources, their market orientation, improving the existing and introducing new services, connecting with the private sector wherever possible, all in order to provide quality services to citizens with minimal budget allocations. With one efficient multi-year reorganization, these companies should be not only self-sustainable for the next 5 to 10 years but also profitable.
- In the upcoming medium term, the SC Government should insist on the more efficient redistribution of limited budget resources, and hence the more detailed explanation of budgetary requirements for the priorities arising from the SC Development Strategy as well as from adopted sector strategies by budget users. The objectives and activities envisaged in the three-year work plan must be financially viable within the available budget ranges (ceilings). This is in accordance with the adopted budget planning and approval programming method and in accordance with the Law on Budget of the FBiH.
- The SC should be involved in the process of building program-design capacities of employees at all budget users in order to run projects at international institutions (especially EU integration such as IPA funds and other EU funds). In the case of IPA 2, due to the lack of coordination mechanisms and the lack of certain strategic documents, BiH is limited to the use of only 165.8 million KM by 2017 in the sectors of support for democracy and governance, rule of law, and the foundations of law, competitiveness and innovation - local development strategies, education, employment and social policies. For the SC Government, it is especially important that the Ministry of Education, Science and Youth and the Ministry of Labour, Social Policy, Displaced Persons and Refugees are involved in these processes, for which it is planned to allocate in the next medium term from 46% in 2015 to 54% of total budget funds in 2017. The projects of these Ministries that could be financed through IPA 2 or other EU funds would significantly reduce the existing budgetary burden and allow the use of planned budget funds for other strategic priorities of the SC Government.
- Work on reducing capital borrowing under credit obligations where no real conditions have been met and where there is no PIP, to avoid situations where the Sarajevo Canton neatly finances interest and repayment of principal, and the funds were realized not at all or only partially. This creates an even bigger budget gap in the difficult deficit financing of the Canton.

II Programme framework

Scheme 9. From vision to project

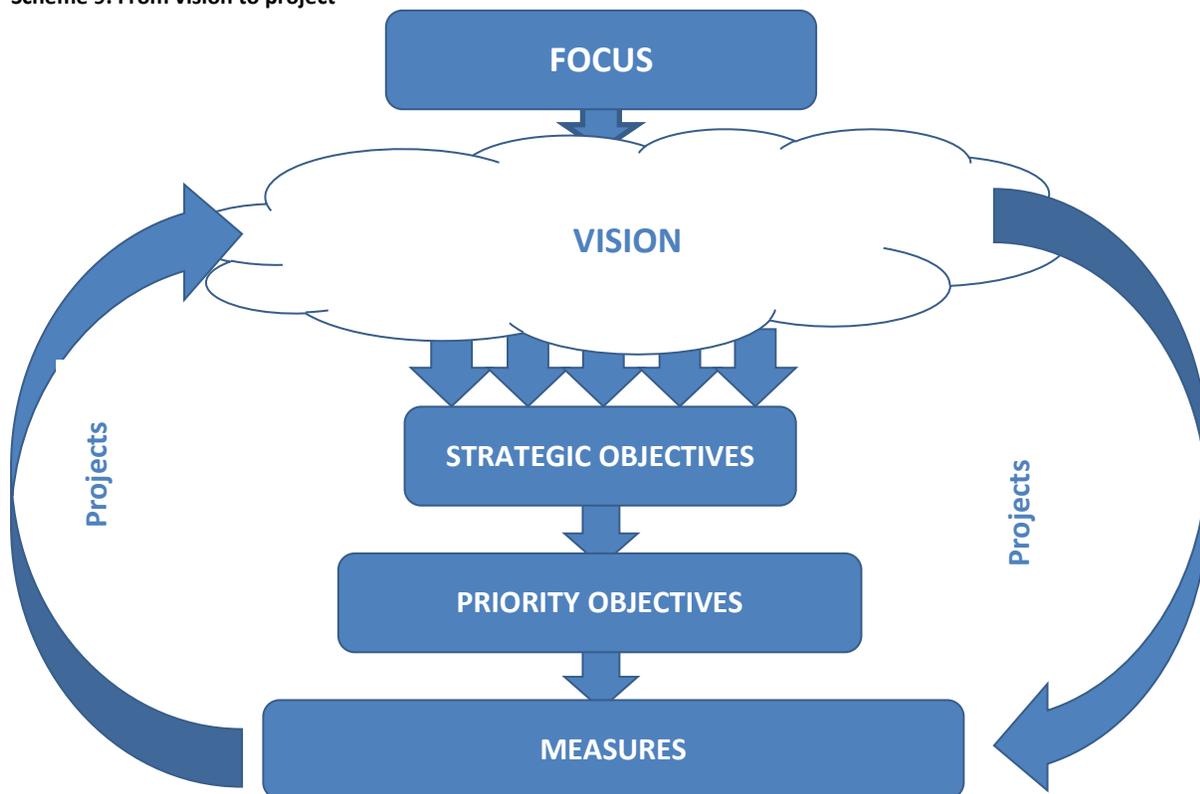


Table 24. Recapitulation of the number of measures and projects according to objectives

Strategic objective	Priority objective	Measure	Project
Strategic objective 1	6	20	84
Strategic objective 2	3	7	27
Strategic objective 3	4	16	37
Strategic objective 4	4	15	55
Strategic objective 5	5	11	35
Total	22	69	238

1. Measures and projects according to strategic and priority objectives

1.1 Strategic objective 1

Strategic objective 1: To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services

Table 25. Strategic objective 1 Synthesizing overview of priority objectives, measures and projects

	Priority objective		Measure		Projects
1.1	Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	1.1.1	Support for capacity building of export-oriented enterprises in strategic sectors of the economy (especially metals, wood and food)	1.1.1.1	Detailed Business Excellence Analysis (BEX) and the needs by strategic economic sectors of the SC
				1.1.1.2	Mapping and forming clusters/chain values and domestic components in the manufacturing industry (metal, wood, nutrition)
				1.1.1.3	Support and subsidies for the development of export - oriented companies in the SC
				1.1.1.4	Preparation and adoption of the privatization and restructuring program for a part of public enterprises in the SC with concrete measures for efficient implementation
		1.1.2	Improving competitiveness and product promotion of the SC	1.1.2.1	Building a technical infrastructure system for analysis of product compliance with EU standards and criteria
				1.1.2.2	Support to the development of brands of domestic products
				1.1.2.3	Support for participation in fairs in the region
		1.1.3	Increasing the innovation of the economy by establishing contemporary scientific and technological base	1.1.3.1	Stimulating the development of science, technology and innovation
				1.1.3.2	Creating a research infrastructure development plan as a prerequisite for joining the EU Research Infrastructure Network
				1.1.3.3	Establishing a financing mechanism for innovation and research by establishing the Fund for Innovation and Research to support innovation and modernization of production and service processes
				1.1.3.4	Building a modern scientific-technological and business base through the formation, development and networking of research and development centres for key clusters
				1.1.3.5	Establishing close cooperation and joint innovation projects of technology-oriented industries in techno-parks and universities/faculties/research institutes
		1.1.4	Development of the creative industry in the SC	1.1.4.1	Creating the regulatory and institutional frameworks of the creative industries in the SC
				1.1.4.2	Education in the field of creative industries
				1.1.4.3	Foundation for Creative Industry in the SC
				1.1.4.4	Formation and operational activity of the Centre for Creative Industries of the SC (CEKRIN)
				1.1.4.5	Sarajevo Design Network
				1.1.4.6	Cluster of creative and cultural industries Sarajevo
		1.1.5	Strengthening human resource capacity to improve economic competitiveness	1.1.5.1	Training of company management for strategic planning
				1.1.5.2	Sector vocational training for human resource capacity building in the economy

	Priority objective		Measure		Projects
				1.1.5.3	Establish a system for conducting analysis of needs for education in small and medium-sized enterprises
1.2	Supporting the competitiveness and attractiveness of the SC for investment in ICT industry	1.2.1	Support for computer literacy in the SC	1.2.1.1	Free internet access and free domain email addresses for all primary and secondary schools and university in the SC
				1.2.1.2	Introduction of ICT course in curriculum and syllabus at all state faculties in accordance with best practice in the world
				1.2.1.3	Organization of IT clubs/sections at cantonal level for all primary and secondary schools
				1.2.1.4	Establishment of an open ICT Education Fund for the award of scholarships for ICT education with the online portal for transparent fund management
				1.2.1.5	Free training for people who want to re-qualify in the ICT industry
				1.2.1.6	Combining and automating IT support in primary and secondary schools
		1.2.2	Development of capacities for support in ICT industry	1.2.2.1	Forming an administrative body for the ICT industry of the SC
				1.2.2.2	Establishment of the ICT Technology Park (construction of new or use of adequate existing space capacities)
1.3	Increasing the competitiveness of the tourist destination of the SC	1.3.1	Establishing a framework for tourism development of the SC	1.3.1.1	Adoption and implementation of the Law on Tourism
				1.3.1.2	Creating a comprehensive review of the state of tourism attractions and the SC Tourism Development Strategy, with included action plans for all forms of tourism, with the definition of typical tourism products
				1.3.1.3	Establishment of tourist registration system
				1.3.1.4	Strengthening of associations in the tourism sector
		1.3.2	Establishment of tourism value chain and systematic promotion of tourism offer of the SC	1.3.2.1	Strengthening tourism capacities and introducing lifelong learning for the tourism sector
				1.3.2.2	Re-branding of the unique tourist destination of the Sarajevo Canton and promotion of natural and cultural-historical potential
				1.3.2.3	Creating tourist tours and tourism web portal and mobile application for promotion of all types of tourism in the SC
				1.3.2.4	Support to festivals in the SC
		1.3.3	Improvement of tourism infrastructure of the SC	1.3.3.1	Improvement of infrastructure for tourists at the Airport Sarajevo
				1.3.3.2	Setting of tourist signalling
				1.3.3.3	Implementation of Trebević Cableway Project and sustainable development of the Trebević Protected Area
				1.3.3.4	Development of the Study for the introduction of vertical transport and lifts for hilly areas
				1.3.3.5	Design and installation of tourist traffic maps in foreign languages with bus, railway and tram lines in all hotels, means of transport, attractive places and travel agencies
				1.3.3.6	Increase of standards, quality and additional offers and services

	Priority objective		Measure		Projects
		1.3.4	Valorisation of natural tourist resource base	1.3.4.1	Arranging and maintaining excursion sites and other tourist attractive units
				1.3.4.2	Construction of Podlipnik Complex for valorisation of natural resources
				1.3.4.3	Construction of the tourist complex Priječko polje (integrated tourist town "Buroj Ozone" Bjelašnica)
				1.3.4.4.	Landscaping the site Faletići at the source of the Mošćanica river
				1.3.4.5.	Improvement of the tourist resource base of the Igman and Bjelašnica Olympic Mountains (ZOI'84)
		1.3.5	Promotion of special forms of tourism in the area of the SC	1.3.5.1	Providing support for the renovation and activation of mountain huts and relocating abandoned facilities
				1.3.5.2	Encouraging reconstruction of built and other cultural heritage
				1.3.5.3	Support for the construction of infrastructure and equipment for caves, rock climbing, gazebo, adrenaline parks, golf courses, cycling paths, etc.
				1.3.5.4	Support for promotion and development of religious, fair and congress tourism
				1.3.5.5	Support for the modernization of spa baths and wellness centre development
1.4	Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility	1.4.1	Creating a favourable business environment and promoting the SC as a desirable destination for domestic and foreign investments	1.4.1.1	Creating a Register of administrative barriers to business and remedying obstacles to improving the business environment in the SC
				1.4.1.2	Analysis of the potentials of investment opportunities and development of programs to attract direct investment in the real sector in the SC (food, wood and metal industry)
				1.4.1.3	Promotion of investment opportunities in the SC (Investor's Guide and Investor Conference of the Sarajevo Canton)
				1.4.1.4	Preparation, candidacy and promotion of public-private partnership projects
				1.4.1.5	Creation of Business Barometer of the Sarajevo Canton
		1.4.2	Support to entrepreneurship development	1.4.2.1	Establishment of a Credit Guarantee Fund
				1.4.2.2	Implementation of the Law on Promotion of Small Business Development
				1.4.2.3	Raising public awareness and developing a positive attitude towards entrepreneurship
		1.4.3	Improving spatial conditions for SME development in business zones and incubators	1.4.3.1	Adopting the Law on Business Areas in the SC and implementing it in practice
				1.4.3.2	Improvement of existing infrastructure and construction of new business zones in the SC
				1.4.3.3	Creating more favourable conditions for use in state-owned industrial zones
1.5	Restructuring the sector of communal economy and utility services and accelerating the development of the green industry and	1.5.1	Improvement of conditions for development of communal economy in the SC	1.5.1.1	Improving the environment for CPUC and PUC operations (amendment of the legal regulations for the communal sector and the adoption of adequate decisions)
				1.5.1.2	Privatization of a part of the communal economy by a public-private partnership system
				1.5.1.3	Internal reorganization of PUC ViK

	Priority objective		Measure		Projects
	the circular economy	1.5.2	Strengthening the capacity of Public Utility Companies	1.5.2.1	Establishment of strategic human resource management in Cantonal Public Companies
1.5.2.2				Improvement of the utility billing system	
1.5.2.3				Strengthening the capacity to withdraw funds from other sources to finance communal investment projects	
1.6	Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton	1.6.1	Creating the environment for accelerated investment in rural development of the SC and application of LEADER approach	1.6.1.1	Mapping of potential zones for rural development and development of the Rural Development Strategy of the SC
				1.6.1.2	Establishment of functional institutional capacities for agriculture and rural development
				1.6.1.3	Harmonization of agriculture and rural development with the EU
				1.6.1.4	Exhibition of agricultural products of rural areas and ethnic crafts
		1.6.2	Improving the competitiveness of the agricultural sector in the SC and improving the supply of domestic agricultural products	1.6.2.1	Improvement of land management through allocation of land in state ownership to concessionaires for agricultural production
				1.6.2.2	Incentives for primary agricultural production, in particular for raw materials required for the food industry
				1.6.2.3	Support for more efficient organization and strengthening of the capacities of cooperatives and associations and increase of cooperation of farmers with research and scientific institutes
				1.6.2.4	Education of population in rural environments on methods of breeding and certification of organic production
				1.6.2.5	Support for the use of Smart ICT on agricultural holds and farms to increase competitiveness
		1.6.3	Support to the development of forestry and hunting	1.6.3.1	Regulation of the legal framework for forests and harmonization with international regulations
				1.6.3.2	Personnel and material strengthening in forestry institutions
				1.6.3.3	Creation of a forest resource management plan with the application of international principles and criteria of FSC
				1.6.3.4	Provision of expert and advisory support to forestry enterprises
				1.6.3.5	Support for breeding and protection of game animals and hunting

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	
MEASURE	1.1.1 Support for capacity building of export-oriented enterprises in strategic sectors of the economy (especially metals, wood and food)	
OBJECTIVE OF THE MEASURE	Increasing exports and value added in strategic sectors of the economy while increasing productivity	
PROJECTS AND ACTIVITIES	1.1.1.1 Detailed Business Excellence Analysis (BEX) and the needs by strategic economic sectors of the SC 1.1.1.2 Mapping and forming clusters/chain values and domestic components in the manufacturing industry (metal, wood, nutrition) 1.1.1.3 Support for the development of export-oriented companies in the SC 1.1.1.4 Preparation and adoption of the privatization and restructuring program for a part of public enterprises in the SC with concrete measures for efficient implementation	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Developed BEX analysis by strategic economic sectors</i> • <i>Formed clusters for metal/wood/nutrition and number of cluster members</i> • <i>Value of export-oriented firm support program and the number of support and subsidy program beneficiaries</i> • <i>Value of export of finished products</i> • <i>Number of completed contracts of privatization of state capital in the SC</i> • <i>Number of realized programs of restructuring of parts of public enterprises</i> 	<ul style="list-style-type: none"> • <i>Defined projections of sector development and sector needs in the planning period</i> • <i>Established value chain of strategic production based on domestic raw materials</i> • <i>Secured programs of support and subsidies for export-oriented companies: rapid issuance of licenses, subsidies for interest, contributions and wage taxes, issuance of land under more favourable conditions, etc.</i> • <i>Created publication "Export Opportunities for the Economy of the SC"</i> • <i>Created conditions for higher added value through finalization of export products</i> • <i>Realized programs of privatization and restructuring of a part of public enterprises</i>
DEVELOPMENT EFFECT	<i>Increasing the physical volume of industrial production in the manufacturing industry</i> <i>Increasing exports in the processing industry as well as of products from the strategic sectors</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	200,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, CCSC	
BENEFICIARIES	Exporter companies, especially from the metal, wood and food industries	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	
MEASURE	1.1.2 Improving competitiveness and product promotion of the SC	
OBJECTIVE OF THE MEASURE	Increase the placement of domestic products on the EU market	
PROJECTS AND ACTIVITIES	1.1.2.1 Building a technical infrastructure system for analysis of product compliance with EU standards and criteria 1.1.2.2 Support to the development of brands of domestic products 1.1.2.3 Support for participation in fairs in the region	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of established laboratories in the SC for assessment of technical conformity of export products with EU requirements • Changed export regulations in accordance with EU regulations • Number of new companies with introduced standards of quality and number of new certified products in the area of the SC • Number of branded domestic products • Number of supported participation in fairs in the region 	<ul style="list-style-type: none"> • Provided institutional capacities for assessing the technical compatibility of export products with EU requirements • Export regulations harmonized with EU regulations • Increased application of quality standards and product certification • Branded key domestic products • Improved promotion of offering of strategic sectors at fairs
DEVELOPMENT EFFECT	Increasing the number of exporters and increasing the coverage of imports by exports through increased exports of certified and technically-adjusted products	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	100,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, CCSC	
BENEFICIARIES	Companies exporting or wishing to export products to the EU market	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	
MEASURE	1.1.3 Increasing the innovation of the economy by establishing contemporary scientific and technological base	
OBJECTIVE OF THE MEASURE	Strengthen the capacities of the economy for modernization and innovation in order to increase competitiveness through cooperation with scientific research institutes and centres	
PROJECTS AND ACTIVITIES	1.1.3.1 Stimulating the development of science, technology and innovation 1.1.3.2 Creating a research infrastructure development plan as a prerequisite for joining the EU Research Infrastructure Network	

	<p>1.1.3.3 Establishing a financing mechanism for innovation and research by establishing the Fund for Innovation and Research to support innovation and modernization of production and service processes</p> <p>1.1.3.4 Building a modern scientific-technological and business base through the formation, development and networking of research and development centres for key clusters</p> <p>1.1.3.5 Establishing close cooperation and joint innovation projects of technology-oriented industries in techno-parks and universities/faculties/research institutes</p>	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Developed Plan of research infrastructure development of the SC</i> • <i>Allocated funds for the Fund for Support to Scientific Research and Innovation</i> • <i>Value of investment in equipment for new technologies and modernization of production capacities in industry of the SC</i> • <i>Number of signed agreements/realized projects of cooperation between research institutes and economy</i> • <i>Established technology parks and adopted Decision on Facilitation and Financing of Research Activities of Beneficiaries</i> • <i>Number of commercialized projects of cooperation of industry and scientific research institutions</i> 	<ul style="list-style-type: none"> • <i>Established planned development of research infrastructure and networking in the EU network</i> • <i>Establishment of the Fund for Support to Scientific Research and Innovation</i> • <i>Increased investment in equipment for new technologies and modernization of production capacities in industry</i> • <i>Development of production based on knowledge and modern technologies that have a greater share of value added in the product (service), with secured research and development services through the linkage of research institutes and the economy</i> • <i>Provided technological development services through establishment of Technological Park/s and facilitation programs and financing of research activities for corporate users</i> • <i>Increased commercialization of technical knowledge through joint projects of industry and scientific research institutions</i>
DEVELOPMENT EFFECT	<i>Increased value of investment in the SC equipment for introducing new technologies and capacity modernization in the industry sector</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	3,000,000 KM EU funds, Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Academy of Sciences and Arts of BiH, Ministry of Education, Science and Youth, Government of the SC/Line Ministries, Chamber of Commerce of the SC	
BENEFICIARIES	Research and innovation-oriented companies, innovators	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services
PRIORITY OBJECTIVE	1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)
MEASURE	1.1.4 Development of the creative industry in the SC
OBJECTIVE OF THE MEASURE	Improve the Environment for business enhancement in the creative industry sector

PROJECTS AND ACTIVITIES	1.1.4.1 Creating the regulatory and institutional frameworks of the creative industries in the SC 1.1.4.2 Education in the field of creative industries 1.1.4.3 Foundation for Creative Industries of the Sarajevo Canton 1.1.4.4 Formation and operational activity of the Centre for Creative Industries of the SC (CEKRIN) 1.1.4.5 Sarajevo Design Network 1.1.4.6 Cluster of creative and cultural industries Sarajevo	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Adopted acts for the development of the creative industry Defined and established institutional competencies and responsibilities for creative industries Number of education sessions and/or number of participants in education in the field of creative industries Formed Fund for Project Financing in the Field of Creative Industries Opened Centre for Creative Industries Creating a souvenir shop of the National Museum of BiH through a creative incubator 	<ul style="list-style-type: none"> Established regulatory and institutional framework for the development of creative industry Improved knowledge and skills in the field of creative industries of the SC Provided mechanism for financing projects in the field of creative industries Created conditions for supporting the development of products and services of the creative industries by establishing the Centre for Creative Industries
DEVELOPMENT EFFECT	Increased number of enterprises and number of employees in the creative industry sector	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	2,450,000 KM Budget and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Culture and Sports, Ministry of Economy, CCSC	
BENEFICIARIES	Business entities from the creative industries sector, cultural workers, citizens	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)	
MEASURE	1.1.5 Strengthening human resource capacity to improve economic competitiveness	
OBJECTIVE OF THE MEASURE	Increasing productivity, economy and profitability of the economy of the SC by strengthening the human resources capacity	
PROJECTS AND ACTIVITIES	1.1.5.1 Training of company management for strategic planning 1.1.5.2 Sector vocational training for human resource capacity building in the economy 1.1.5.3 Establish a system for conducting analysis of needs for education in small and medium-sized enterprises	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • Value of allocated subsidies for human resources training • Number of managers participating in training for enterprise management/number of training sessions for managers • Number of participants in sector vocational training/ number of sector training sessions • Created analysis of training needs of SMEs 	<ul style="list-style-type: none"> • Secured support for strengthening human capacity in the economy • Improved SME management capacities • Improved human resource capacity in the economic sector • Established system for analyzing SME training needs
DEVELOPMENT EFFECT	Increase in net profit per employee (efficiency) and increase in the ratio of net profit and fixed assets (profitability) to the economy of the SC	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	72,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, CCSC	
BENEFICIARIES	Enterprises investing in human resource management, enterprise managers, sector employees	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.2 Supporting the competitiveness and attractiveness of the SC for investment in ICT industry	
MEASURE	1.2.1 Support for computer literacy in the SC	
OBJECTIVE OF THE MEASURE	Enhance the IT skills of young future staff in the labour market	
PROJECTS AND ACTIVITIES	1.2.1.1 Free internet access and free domain email addresses for all primary and secondary schools and university in the SC 1.2.1.2 Introduction of ICT course in curriculum and syllabus at all state faculties in accordance with best practice in the world 1.2.1.3 Organization of IT clubs/sections at cantonal level for all primary and secondary schools 1.2.1.4 Establishment of an open ICT Education Fund for the award of scholarships for ICT education with the online portal for transparent fund management 1.2.1.5 Free training for people who want to re-qualify in the ICT industry 1.2.1.6 Combining and automating IT support in primary and secondary schools	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • Active Internet in primary and secondary schools and University of KS and open domain Emails for all students • Equipped ICT cabinets and introduced ICT course at all faculties • Primary school Aleksa Šantić (application of ICT in regular teaching) • Number of created Informatics Clubs in primary and secondary schools and number of Club members - youth 	Expected results <ul style="list-style-type: none"> • Provide free Internet access and domain email to all students in primary and secondary schools and at the University of KS, enabling them to meet technology on a daily and regular basis, not ad hoc • Created better conditions for ICT education at faculties in accordance with world practice • Increased promotion of ICT sector potential as the most promising branch of industry for future professional commitment to young generations

	<ul style="list-style-type: none"> Created education programs in the ICT segment for primary and secondary school students Faculty of Electrical Engineering (Winter E-School) Number of beneficiaries of scholarship/ education programs for ICT occupations Number of re-qualified persons for ICT occupations 	<ul style="list-style-type: none"> Significantly increased number of students opting for the ICT sector through a scholarship grant from primary to university education from the established Fund for ICT Education Increased number of re-qualified persons for ICT occupations Set up a Standard Teaching Station in public education institutions of the SC
DEVELOPMENT EFFECT	Increased number of staff with ICT occupations, which will increase number of employees in the ICT industry and the number of newly established enterprises in the ICT industry	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	7,888,000 KM The SC budget, possible grants, IPA; ERASMUS+, Federal Ministry of Education and Science, EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Education, Science and Youth, Institute for Informatics and Statistics of the SC, SERDA	
BENEFICIARIES	Pupils and students interested in education for ICT professions	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.2 Supporting the competitiveness and attractiveness of the SC for investment in ICT industry	
MEASURE	1.2.2 Development of capacities for support in ICT industry	
OBJECTIVE OF THE MEASURE	Strengthening human resources in the ICT industry	
PROJECTS AND ACTIVITIES	1.2.2.1 Forming an administrative body for the ICT industry of the SC 1.2.2.2 Establishment of the ICT Technology Park (construction of new or use of adequate existing space capacities)	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Established Ministry for ICT or ICT department at one of the existing administrative bodies Number of companies using Technological Park Decision on facilitations for Technological Park Users Number of members of the ICT Cluster in the SC 	<ul style="list-style-type: none"> Established institutional capacities for ICT in the Ministry of Economy and established coordination of all ICT activities from the Strategy Established ICT Technology Park Formed ICT Cluster for strategic empowerment of ICT industry sector Establishment of the ICT Cluster Development Centre
DEVELOPMENT EFFECT	Improving the technological basis of the ICT industry will contribute to the increase of ICT industry exports, increase of investments in ICT industry and increase of average net salary in sector	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	10,060,000 KM Private investments, grants	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Institute for Informatics and Statistics of the SC, SERDA	

BENEFICIARIES	Business entities in the ICT industry of the SC
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STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.3 Increasing the competitiveness of the tourist destination of the SC	
MEASURE	1.3.1 Establishing a framework for tourism development of the SC	
OBJECTIVE OF THE MEASURE	Build capacities for managing the tourist destination of the SC	
PROJECTS AND ACTIVITIES	1.3.1.1 Adoption and implementation of the Law on Tourism 1.3.1.2 Creating a comprehensive review of the state of tourism attractions and the SC Tourism Development Strategy, with included action plans for all forms of tourism, with the definition of typical tourism products 1.3.1.3 Establishment of tourist registration system 1.3.1.4 Strengthening of associations in the tourism sector	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Adopted Law on Tourism Created Tourism Strategy for the SC with action plans for all forms of tourism (cultural, eco, health, sport-recreation, fair and rural tourism) Functional tourist registration system Number of training sessions and number of training participants in the tourism sector 	<ul style="list-style-type: none"> Established partnership for tourism development of the SC Identified status and needs of tourism resources of the SC through the results of the study and defined strategic directions of tourism development in the SC and action plans for all forms of tourism (cultural, eco, health, sports and recreational, fair and rural tourism) The SC declared a tourist destination and introduced a tourist destination regime (introduction of a stop-bus for tourist vignettes, tourist bus parking, cultural itinerary, local guide engagement, destination online address, etc.) Established tourist registration system Strengthened capacities of associations in the tourism sector Implementation of the Tourism Law of the SC
DEVELOPMENT EFFECT	Establishing a framework for tourism development will contribute to increasing the number of tourist visitor registrations and the average number of days spent by tourists in a tourist destination	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	300,000 KM Budget of the SC and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Culture and Sport, Municipalities, City	
BENEFICIARIES	Developers in the tourism sector (institutions, business entities, legal entities, associations, etc.)	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.3 Increasing the competitiveness of the tourist destination of the SC	
MEASURE	1.3.2 Establishment of tourism value chain and systematic promotion of tourism offer of the SC	
OBJECTIVE OF THE MEASURE	Achieving multiplicative function of tourism	
PROJECTS AND ACTIVITIES	1.3.2.1 Strengthening tourism capacities and introducing lifelong learning for the tourism sector 1.3.2.2 Re-branding of the unique tourist destination of the Sarajevo Canton and promotion of natural and cultural-historical potential 1.3.2.3 Creating tourist tours and tourism web portal and mobile application for promotion of all types of tourism in the SC 1.3.2.4 Support to festivals in the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of members of the SC tourist cluster • Number of renovated and furnished accommodation facilities • Established Centre for Tourism Education and number of participants in training • Number of realized promotional events for tourist destination SC • Defined tourist tours in the SC and created and active tourist portal and mobile application of the SC • Number of organized tourist events in the SC 	<ul style="list-style-type: none"> • Reinforced capacities through support for reconstruction and arrangement of accommodation facilities and accompanying contents • Secured organization and programs for continuous training of employees in tourism (managers, tour guides, agents) • Support for pilot projects for improving forms and methods of education and training, supplementing traditional knowledge and skills with new knowledge • Establishment of reference centres for practical personnel education in tourism • Support for educating and informing the local population for participation in tourism development • Created promotional program and realized promotional campaign for all types of tourism, including health, for attracting tourists to destination for economic benefit • Created conditions for online promotion of tourist destination SC, tourist offer with information on tourist guides • Organized festival events in the SC for attracting domestic and foreign tourists (Sarajevo Film Festival, Jazz Fest, Bašćaršija Nights, BiH Culinary Festival...) • Secondary School of Hospitality and Tourism Management (School Tourist Office Project) • Digital Guide to Cultural Events in the Sarajevo Canton
DEVELOPMENT EFFECT	Increasing the number of business entities and turnover in the tourism sector and increasing the number of employees in the tourism sector Increase in accommodation capacity/number of beds Increase in length of tourist stay	

PROVISIONAL FINANCIAL ASSETS AND SOURCES	1,039,000 KM Budget of the SC and the municipalities, and income of the Tourist Board of the SC
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Culture and Sport, CCSC, Municipalities, City and Tourist Board of the SC
BENEFICIARIES	Business entities and employees in the tourism sector

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.3 Increasing the competitiveness of the tourist destination of the SC	
MEASURE	1.3.3 Improving the tourism infrastructure of the SC	
OBJECTIVE OF THE MEASURE	Increase the quality of infrastructural conditions for tourists	
PROJECTS AND ACTIVITIES	1.3.3.1 Improvement of infrastructure for tourists at the Airport Sarajevo 1.3.3.2 Setting of tourist signalling 1.3.3.3 Implementation of Trebević Cableway Project and sustainable development of the Trebević Protected Landscape 1.3.3.4 Development of the Study for the introduction of vertical transport and lifts for hilly areas 1.3.3.5 Design and installation of tourist traffic maps in foreign languages with bus, railway and tram lines in all hotels, means of transport, attractive places and travel agencies 1.3.3.6 Increase of standards, quality and additional offers and services	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Established tourist information desk on the Airport and bus line scheme from the Airport to the City Centre</i> • <i>Number of new tourist signs/signalisation placed in the SC</i> • <i>Trebević Cable Car activated</i> • <i>Prepared feasibility study for the introduction of vertical transport and sliding lifts in hilly areas, especially on Vratnik</i> • <i>Number of installed tourist traffic maps at busy locations in the SC</i> • <i>Number of equipped and categorized rural households</i> 	<ul style="list-style-type: none"> • <i>Provided information for tourists at the Airport and bus transport from the Airport to the City Centre</i> • <i>Advanced marking by tourist signalling in the SC</i> • <i>Constructed Trebević Cable Car and implemented activities for ensuring sustainable development of the Protected Landscape Trebević</i> • <i>Identified conditions and justification for the introduction of vertical transport and sliding lifts in hilly areas, especially on Vratnik</i> • <i>Improved information for tourist on traffic by placing tourist traffic maps at busy locations</i> • <i>Provision of support for reconstruction and arrangement of accommodation units and accompanying contents</i> • <i>Encouraging the development and enhancement of additional contents (swimming pools, wellness, children's facilities, entertainment and theme parks, excursion sites)</i> • <i>Support for the use of new technologies and "small green entrepreneurship"</i>

		<ul style="list-style-type: none"> • Support for improving the conditions for people with disabilities • Improved conditions in rural households for tourists in rural areas • Development and modernization of ZOO garden - phase I
DEVELOPMENT EFFECT	<i>Increasing investment in the tourism sector, which will improve the infrastructure for services to tourists</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	17,590,000 KM Budget of the SC, Municipalities and City and income of the Tourist Board of the SC, EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Transport, Ministry of Physical Planning, Construction and Environmental Protection, Cantonal Public Institution for Protected Natural Areas, Municipalities, City of Sarajevo and Tourism Board of the SC	
BENEFICIARIES	Tourists and subjects dealing with activities in the field of tourism	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.3 Increasing the competitiveness of the tourist destination of the SC	
MEASURE	1.3.4 Valorisation of natural tourist resource base	
OBJECTIVE OF THE MEASURE	Promotion of tourism resource base	
PROJECTS AND ACTIVITIES	1.3.4.1 Arranging and maintaining excursion sites and other tourist attractive units 1.3.4.2 Construction of Podlipnik Complex for valorisation of natural resources 1.3.4.3 Construction of the tourist complex Priječko polje (integrated tourist town "Buroj Ozone" Bjelašnica) ¹⁴ 1.3.4.4 Landscaping the site Faletići at the source of the Mošćanica river 1.3.4.5 Improvement of the tourist resource base of the Igman and Bjelašnica Olympic Mountains (ZOI'84)	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of arranged excursion sites and other tourist attractive units • Podlipnik complex put in function • The Priječko polje tourist complex put in function and the regulation plan "Buroj Ozone" realized • Reconstructed building of the old Barracks at location in Faletići 	<ul style="list-style-type: none"> • Increased regulation of promenades, hiking trails, parks, excursion sites and other tourist attractive units (Barice, Čavljak, Crepoljsko) • Increased regulation of protected natural areas (Trebević, Skakavac, Vrelo Bosne, Bijambare) • Podlipnik complex built • Tourist Complex of Priječko polje built • The location of Faletići arranged • Six-seater (Babin Do - top of Bjelašnica with inter-station) – on the existing route of three-seater • Lighting of paths in Bjelašnica • Snow production system • Regular public transport to the Olympic Mountains introduced

¹⁴ Not included in financial structure, but much contributes to the realization of the Strategic Objective 1.

		<ul style="list-style-type: none"> • Rehabilitation of the Zetra Ice Rapid Sliding Runway • Extension of paths and access routes for skiing (winter season); mountain biking (summer season) • Increase of catering facilities in Bjelašnica and Igman (Hotel Igman, Ski hotel, restaurant on top of Bjelašnica) • Miniature Park BiH - MinijaBiH
DEVELOPMENT EFFECT	<i>Increasing investment in the tourism sector for the promotion of tourist facilities, which will contribute to increasing the number of tourist visits and nights, i.e. total tourism income</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	40,700,000 KM Budget and other funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Physical Planning, Construction and Environmental Protection, Cantonal Public Institution for Protected Natural Areas, Municipalities, City	
BENEFICIARIES	Tourists in the SC and citizens	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.3 Increasing the competitiveness of the tourist destination of the SC	
MEASURE	1.3.5 Promotion of special forms of tourism in the area of the SC	
OBJECTIVE OF THE MEASURE	Arrange facilities with accompanying infrastructure and obtain equipment for tourism offer of special forms of tourism	
PROJECTS AND ACTIVITIES	1.3.5.1 Providing support for the renovation and activation of mountain huts and relocating abandoned facilities 1.3.5.2 Encouraging reconstruction of built and other cultural heritage 1.3.5.3 Support for the construction of infrastructure and equipment for caves, rock climbing, gazebo, adrenaline parks, golf courses, cycling paths, etc. 1.3.5.4 Support for promotion and development of religious, fair and congress tourism 1.3.5.5 Support for the modernization of spa baths and wellness centre development	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of renovated and activated mountaineering homes • Number of reconstructed objects of cultural heritage • Value of investment in infrastructure and equipment for rock climbing, adrenaline parks, golf courses, cycling paths, etc. • Number of realized promotional events for religious, fair and congress tourism • Number of modernized of spa baths and wellness centres 	<ul style="list-style-type: none"> • Renovated and activated mountaineering homes • Renovated priority cultural heritage sites • Constructed infrastructure and obtained equipment for rock climbing, adrenaline parks, golf courses, cycling paths, etc. • Provided support for the promotion of religious, fair and congress tourism • Modernized facilities of spa baths and wellness centres • Promotion of fair tourism with rehabilitation of the plateau (Phase II) of the KJP Centar Skenderija Ltd. Sarajevo

DEVELOPMENT EFFECT	<i>Increasing investment in the tourism sector to improve tourism infrastructure supply</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	6,500,000 KM Budget of the SC, Municipalities and the City, and income of the Tourist Board of the SC
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Municipalities, City of Sarajevo, Ministry of Culture and Sport, Ministry of Health, and Tourist Board of the SC
BENEFICIARIES	Tourists and subjects dealing with activities in the field of tourism

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.4 Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility	
MEASURE	1.4.1 Creating a favourable business environment and promoting the SC as a desirable destination for domestic and foreign investments	
OBJECTIVE OF THE MEASURE	Reducing business barriers and increasing investment in the SC	
PROJECTS AND ACTIVITIES	1.4.1.1 Creating a Register of administrative barriers to business and remedying obstacles to improving the business environment in the SC 1.4.1.2 Analysis of the potentials of investment opportunities and development of programs to attract direct investment in the real sector in the SC (food, wood and metal industry) 1.4.1.3 Promotion of investment opportunities in the SC (Investor's Guide and Investor Conference of the Sarajevo Canton) 1.4.1.4 Preparation, candidacy and promotion of public-private partnership projects 1.4.1.5 Creation of Business Barometer of the Sarajevo Canton	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of days for company registration • Number of implemented projects for attracting direct investments in the SC • Number of printed Guides to Investors in the SC • Number of participants in the Investment conference in the SC • Number of Public Private Partnerships projects in the SC • Business barometer produced (annually) 	<ul style="list-style-type: none"> • Increased administrative efficiency and speedy issuance of licenses and regulatory procedures for business while increasing court timeliness • Developed program for attracting direct investment to the SC, defined standards of FDI acceptability by sectors • Developed Guide to Investors in the SC (according to World Bank criteria - Doing Business) and organized Investment Conference in the SC • Developed projects and promoted opportunities of Public Private Partnerships in the SC • Assessed business optimism of business community
DEVELOPMENT EFFECT	<i>Increase in total value of realized investments in the SC Increased number of registered companies through improvement of business environment Realized public-private partnership projects</i>	

	<i>Improved business environment</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	200,000 KM Budget of the SC
MEASUREMENT IMPLEMENTATION PERIOD	2017-2018
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy and line Ministries, CCSC, Municipalities, City
BENEFICIARIES	Business entities, investors

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.4 Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility	
MEASURE	1.4.2 Support to entrepreneurship development	
OBJECTIVE OF THE MEASURE	Providing access to financial resources, services and business premises for entrepreneurs	
PROJECTS AND ACTIVITIES	1.4.2.1 Establishment of a Credit Guarantee Fund 1.4.2.2 Implementation of the Law on Promotion of Small Business Development 1.4.2.3 Raising public awareness and developing a positive attitude towards entrepreneurship	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of CGF users • Value of paid out investment from credit facilities in the SC • Number of organized education sessions within the program and number of service users • Number of participants in training for the use of EU funds • Number of traditional craftsmen 	<ul style="list-style-type: none"> • Facilitated access to finance for MSMEs - CGF established, increased investment from credit in industry • Organization and implementation of media campaign towards target groups; • Business conferences on entrepreneurship; • Information and education on entrepreneurial learning for education decision-makers in the Sarajevo Canton, directors and professional associates of educational institutions conducting education and training, business managers and media representatives • Creating a web portal for entrepreneurial learning • Lending to small business entities under favourable conditions; • Subsidizing interest on borrowed credits; • Provision of professional and advisory assistance to small business subjects; • Supporting the development of centres for entrepreneurship, entrepreneurial incubators, clusters, technology parks and small business areas; • Encouraging the use of European Union funds (IPA and Horizon 2020 funds); • Providing support to increase employment;

		<ul style="list-style-type: none"> • Providing support for participation in fairs and training programs; • Support for entrepreneurship development of target groups (female entrepreneurship, youth entrepreneurship and entrepreneurship of persons with disabilities); • Providing support for research, development and application of innovations, introduction of modern technologies, and support for education and re-qualification; • Providing support for the introduction of certificates and international quality standards; and • Providing support for the protection and revitalization of traditional and old trades (crafts)
DEVELOPMENT EFFECT	<i>Increase in number of business entities and increase in number of employees with increase of net salary</i> <i>Increase in total turnover in the economy of the SC</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	28,000,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, CCSC, Municipalities	
BENEFICIARIES	Business entities (legal entities and crafts)	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.4 Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility	
MEASURE	1.4.3 Improving spatial conditions for SME development in business zones and incubators	
OBJECTIVE OF THE MEASURE	Provide support to SMEs through securing business premises under favourable conditions	
PROJECTS AND ACTIVITIES	1.4.3.1 Adopting the Law on Business Areas in the SC and implementing it in practice 1.4.3.2 Improvement of existing infrastructure and construction of new business zones in the SC 1.4.3.3 Creating more favourable conditions for use in state-owned industrial zones	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • <i>Adopted Law on Business Areas of the SC</i> • <i>Number of existing business zones and the number of newly established business zones</i> • <i>Number of business zone users</i> • <i>Number of established entrepreneurial incubators and centres to support start-up entrepreneurs</i> 	<ul style="list-style-type: none"> • <i>Established legal framework for business zones in the SC</i> • <i>Upgraded the existing and built new business zone infrastructure: Bringing to the end use of IZ Bjelašnica Hadžići, Construction of infrastructure in IZ Luka Ilijaš, Completion of construction of communal infrastructure in new PZ Vogošća, etc.</i> • <i>Created benefits for use of state-owned business areas (free use of IZ locations for potential investors) and help for potential users of IZ</i> • <i>Established entrepreneurial incubators and centres to support start-up entrepreneurs</i>
DEVELOPMENT EFFECT	<i>Increase in the number of users of business zones and incubators, with increasing number of employees</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	8,400,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, CCSC	
BENEFICIARIES	Enterprises and start-up entrepreneurs	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.5 Restructuring the sector of communal economy and utility services and accelerating the development of the green industry and the circular economy	
MEASURE	1.5.1 Improvement of conditions for development of communal economy in the SC	
OBJECTIVE OF THE MEASURE	Creating conditions for improving business indicators of utility companies	
PROJECTS AND ACTIVITIES	1.5.1.1 Improving the environment for CPUC and PUC operations (amendment of the legal regulations for the communal sector and the adoption of adequate decisions) 1.5.1.2 Privatization of a part of the communal economy by a public-private partnership system 1.5.1.3 Internal reorganization of PUC ViK	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • <i>Adopted amendments to the regulations in the field of the communal economy</i> • <i>Total revenue of CPUC and PUC</i> • <i>Number of privatized utility companies</i> 	Expected results <ul style="list-style-type: none"> • <i>Enhanced business environment in the utilities sector (Amendments to the Law with the Purpose of Sanctioning Privatization Abuse, Decisions to Promote Businesses of CPUS and PUC)</i> • <i>Privatized part of utility companies through announced world tenders</i> • <i>Established internal reorganization of PUC ViK: drinking water exploitation unit, transport and distribution unit for water, and maintenance of network and two</i>

		<p>organizational units, for atmospheric and sewage systems</p> <ul style="list-style-type: none"> • A new wastewater treatment company is formed treating waste water at the Central facility "Butila", and in the perspective at local facilities for these purposes
DEVELOPMENT EFFECT	<i>Increase in profit/decrease of debt, increase in business assets and capital of the utilities economy of the SC</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	100,000 KM Budget of the SC and own resources of the CPUC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Economy and Infrastructure, ViK	
BENEFICIARIES	CPUCs and PUCs from the SC area	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.5 Restructuring the sector of communal economy and utility services and accelerating the development of the green industry and the circular economy	
MEASURE	1.5.2 Strengthening the capacity of Public Utility Companies	
OBJECTIVE OF THE MEASURE	Improve CPUC and PUC management system, improve billing system and human resources management in PUCs and CPUCs	
PROJECTS AND ACTIVITIES	<p>1.5.2.1 Establishment of strategic human resource management in Cantonal Public Companies</p> <p>1.5.2.2 Improvement of the utility billing system</p> <p>1.5.2.3 Strengthening the capacity to withdraw funds from other sources to finance communal investment projects</p>	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of training participants in human resource strategic management in CPUCs and PUCs • Value of indicators of cost-effectiveness and profitability of communal economy of the SC • Number of training participants in the communal economy for the preparation of investment projects 	<ul style="list-style-type: none"> • Created capacities for strategic human resource management in CPUCs PUCs • Improved billing system and introduction of a tariff system for the collection of utility services • Increased cost-effectiveness and profitability of utility companies in providing utilities • Increased human resource capacities from the communal economy through training for preparation of investment projects (loans/subsidies, donor funds, PPP projects)
DEVELOPMENT EFFECT	<p><i>Increase in income and qualitative indicators in the communal economy of the SC</i></p> <p><i>Reduction of the number of unemployed</i></p> <p><i>Realized public utility projects through PPP and other sources of funding</i></p>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	130,000 KM Budget of the SC and own funds of Sarajevogas	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2018	

COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of the Communal Economy and Infrastructure, CPUCs and PUCs
BENEFICIARIES	CPUCs and PUCs from the SC area, legal entities, municipalities, citizens

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services	
PRIORITY OBJECTIVE	1.6 Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton	
MEASURE	1.6.1 Creating the environment for accelerated investment in rural development of the SC and application of LEADER approach	
OBJECTIVE OF THE MEASURE	Removing limitations in development	
PROJECTS AND ACTIVITIES	1.6.1.1 Mapping of potential zones for rural development and development of the Rural Development Strategy of the SC 1.6.1.2 Establishment of functional institutional capacities for agriculture and rural development 1.6.1.3 Harmonization of agriculture and rural development with the EU 1.6.1.4 Exhibition of agricultural products of rural areas and ethnic crafts	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Developed and adopted Rural Development Strategy</i> • <i>Formed LAGs</i> • <i>Number of organized education sessions and number of educated institutional actors for implementation of LEADER approach</i> • <i>Prepared action plan for withdrawal of IPARD funds</i> • <i>Adopted the SC legislation for rural development harmonized with the Acquis</i> • <i>Number of organized exhibitions in rural areas</i> 	<ul style="list-style-type: none"> • <i>Defined strategic directions of rural development of the SC and formed LAGs</i> • <i>Adjusted organizational structure of institutions and educated institutional actors for implementation of LEADER approach and withdrawal of IPARD Funds</i> • <i>Legal framework for rural development of the SC harmonized with the EU Acquis</i> • <i>Promoted rural products</i>
DEVELOPMENT EFFECT	<i>Improving the legal and institutional framework will create conditions for increasing the number of registered farms and crafts in rural areas</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	500,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, CCSC, Municipalities (competent departments)	
BENEFICIARIES	Institutions and organizations for agriculture and rural development in the SC, rural farms and craftsmen from rural areas	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services
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PRIORITY OBJECTIVE	1.6 Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton	
MEASURE	1.6.2 Improving the competitiveness of the agricultural sector in the SC and improving the supply of domestic agricultural products	
OBJECTIVE OF THE MEASURE	Increase agricultural production, stabilize producer income and reduce import of agricultural products	
PROJECTS AND ACTIVITIES	<p>1.6.2.1 Improvement of land management through allocation of land in state ownership to concessionaires for agricultural production</p> <p>1.6.2.2 Incentives for primary agricultural production, in particular for raw materials required for the food industry</p> <p>1.6.2.3 Support for more efficient organization and strengthening of the capacities of cooperatives and associations and increase of cooperation of farmers with research and scientific institutes</p> <p>1.6.2.4 Education of population in rural environments on methods of breeding and certification of organic production</p> <p>1.6.2.5 Support for the use of Smart ICT on agricultural holds and farms to increase competitiveness</p>	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Area of state-owned agricultural land leased/given for use</i> • <i>Total yields by arable crops, total fruit yields and total produced quantities by livestock product</i> • <i>Import value of agricultural products</i> • <i>Number of organized education sessions both for cooperatives and agricultural producers / Value of allocated incentives for cooperatives and associations of farmers</i> • <i>Number of organic producers</i> • <i>Amount of investment of agricultural holdings for procurement of equipment and mechanization</i> 	<ul style="list-style-type: none"> • <i>Increased utilization of state agricultural land</i> • <i>Increased production of livestock products, fruit and arable crops</i> • <i>Reduced imports of agricultural products</i> • <i>Increased capacities of agricultural cooperatives and cooperation with scientific and research institutes</i> • <i>Improved capacity of rural areas for organic production</i> • <i>Increased use of ICT in agriculture</i> • <i>Increased use of ICT in agriculture</i>
DEVELOPMENT EFFECT	<p><i>Increase in trees and total number of livestock</i></p> <p><i>Increase in paid out and realized investments in agriculture</i></p> <p><i>Increase in incentives for agricultural producers</i></p> <p><i>Decrease in imports of agricultural products</i></p> <p><i>Poverty Reduction</i></p>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	14,000,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy	
BENEFICIARIES	Agricultural producers - registered farmers, cooperatives and associations of farmers	

STRATEGIC OBJECTIVE	1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services
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PRIORITY OBJECTIVE	1.6 Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton	
MEASURE	1.6.3 Support to the development of forestry and hunting	
OBJECTIVE OF THE MEASURE	Strengthen the capacities of the forestry sector and establish a system of sustainable forest management	
PROJECTS AND ACTIVITIES	1.6.3.1 Regulation of the legal framework for forests and harmonization with international regulations 1.6.3.2 Personnel and material strengthening in forestry institutions 1.6.3.3 Creation of a forest resource management plan with the application of international principles and criteria of FSC (Forest Stewardship Standard) 1.6.3.4 Provision of expert and advisory support to forestry enterprises 1.6.3.5 Support for breeding and protection of game animals and hunting	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Initiative submitted for the urgent adoption of the Law on Forests at the level of FBiH and adopted cantonal regulations harmonized with higher level legislation and the international forest legislation • Number of training sessions held for forestry institutions and value of investments in tangible funds for institutions in the field of forestry • Total area of forest certified by FSC • Total forested area • Number of business entities in the forestry and support users • List of game animals • Value of secured support to economic entities and agencies in the field of hunting 	<ul style="list-style-type: none"> • Enhanced cooperation with higher levels of government to regulate the legal framework for the area of forestry and cantonal regulations harmonized with higher level legislation and the international forest legislation • Improved human and material capacities of forestry institutions • Drafting a Sustainable Forest Management Plan with FSC Certification • Provided planned forested area • Provided support for business entities in the forestry sector • Wild game inventory made and support provided for game animal breeding and protection, with support for business entities and agencies in the field of hunting
DEVELOPMENT EFFECT	Increase in the quality of wood stock Increase in total production and sales of forestry assortments Increase in FSC certified forest areas for sustainable forest management of the SC Increase in cash incentives	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	300,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, CPC Sarajevo-šume, Ltd. CCSC	
BENEFICIARIES	Institutions in the field of forestry, business entities in the field of forestry and hunting, agencies in the field of hunting	

1.2 Strategic objective 2

Strategic objective 2: To increase employment and create new, better-rated, jobs

Table 26. Strategic objective 2 Synthesizing overview of priority objectives, measures and projects

	Priority objective		Measure		Projects
2.1	Improving the matching between supply and demand in the labour market and reducing structural unemployment	2.1.1	Establishment of a dual education system that will provide education and training oriented to labour market needs	2.1.1.1	Analysis of labour force and labour market needs at the SC level and development of a reform program
				2.1.1.2	Improve vocational education through reform of existing and introduction of new secondary and tertiary education programs
				2.1.1.3	Establishment of secondary specialized schools and faculties for information technologies
				2.1.1.4	Initiate signing of agreements between schools, faculties and the economy on long-term cooperation for practical training for pupils and students
		2.1.2	Harmonization of enrolment policy in educational organizations and provision of professional orientation services	2.1.2.1	Harmonization of enrolment policy for secondary schools and faculties according to the needs of the labour market
				2.1.2.2	Establishment of career centres in the institutions of secondary and higher education for counselling the youth on professional orientation
				2.1.2.3	Encouraging student enrolment in certain vocational schools and faculties for deficient occupations (scholarships, credits, study trips and other forms of stimulation)
		2.1.3	Improving cooperation and capacity of actors in the education and social partnerships in creating and implementing employment policies	2.1.3.1	Establishment of the Coordination Body for Education and Employment in the SC by the Model of the Territorial Employment Pact
				2.1.3.2	Mapping of educational institutions in the region and the EU (educational institutions of specific knowledge) and establishment of cooperation with educational institutions in the region and the EU
				2.1.3.3	Strengthening of cooperation and capacity for mediation in employment and modernization of the information system of the Employment Service of the SC
		2.1.4	Co-financing of employment program	2.1.4.1	Co-financing of re-qualification and up-skilling of employees for well-known employers to preserve jobs
				2.1.4.2	Co-financing of self-employment program
				2.1.4.3	Co-financing program for the employment of highly vulnerable categories of unemployed persons: disabled, demobilized combatants, trainees, youths up to 30 years, persons over the age of 45, returnees etc.
				2.1.4.4	Co-financing of mentoring / introduction into the work of young unemployed persons without experience
				2.1.4.5	Co-financing program for employment of trainees with university degree

	Priority objective		Measure		Projects
		2.1.5	Support to special programs for reducing long-term unemployment	2.1.5.1	Training of unemployed persons for active job search with strengthening of specific skills (communication, presentation, foreign languages, computer work, organizational skills, managerial skills etc.)
				2.1.5.2	Public works and public investment projects with employment
				2.1.5.3	Projects of care for elderly or disabled people
				2.1.5.4	Establishment of a Development Fund for access to funding for company development with employment
2.2	Implementing effective re-qualification and adult education programs	2.2.1	Development and promotion of informal education (adult training) program in the SC	2.2.1.1	Creation and implementation of re-qualification and education programs for adults according to the needs of the labour market
				2.2.1.2	Creation and realization of sector curricula and training programs for adults according to the requirements of economic subjects and in compliance with EU norms
				2.2.1.3	Creating a series of educational online training courses for adults with a focus on job skills required at labour market
2.3	Developing entrepreneurial culture	2.3.1	Developing business models of social entrepreneurship	2.3.1.1	Preparation of the Social Entrepreneurship Development Program and strengthening competences for social entrepreneurship
				2.3.1.2	Drafting the Law on Social Entrepreneurship
				2.3.1.3	Establishment of the Centre for Social Entrepreneurship Development of the SC
				2.3.1.4	Support to pilot projects of social entrepreneurship with the application of different business models (cooperative, work-integration companies, foundations, etc...)
				2.3.1.5	Support for the inclusion of socially excluded categories in the active labour market (youth, women, disabled, veteran population)

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.1 Improving the matching between supply and demand in the labour market and reducing structural unemployment	
MEASURE	2.1.1 Establishment of a dual education system that will provide education and training oriented to labour market needs	
OBJECTIVE OF THE MEASURE	Reforming the education system according to the needs of the labour market	
PROJECTS AND ACTIVITIES	2.1.1.1 Analysis of labour force and labour market needs at the SC level and development of a reform program	
	2.1.1.2 Improve vocational education through reform of existing and introduction of new secondary and tertiary education programs	
	2.1.1.3 Establishment of secondary specialized schools and faculties for information technologies	
	2.1.1.4 Initiate signing of agreements between schools, faculties and the economy on long-term cooperation for practical training for pupils and students	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • <i>Drafted Analysis of Workforce and Labour Market Needs and prepared the education reform program</i> • <i>Number of new programs introduced in education system</i> • <i>Number of completed training sessions and number of teachers who have undergone training</i> • <i>Number of established educational institutions for IT education</i> • <i>Number of partners who have signed a cooperation agreement</i> 	<ul style="list-style-type: none"> • <i>Implemented Analysis of Workforce and Labour Market Needs and prepared the education reform program</i> • <i>Reformed education system and new educational programs created</i> • <i>Realized professional teacher training programs</i> • <i>Established educational institutions for the production of personnel for the IT industry</i> • <i>Signed agreements on cooperation between educational institutions and business for apprenticeship</i> • <i>School of Dental Medicine of the UNSA (Launch of the Dental Hygiene Primary Professional Study Program)</i>
DEVELOPMENT EFFECT	<i>Increased number of employees by adjusting labour supply to market needs</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	5,000,000 KM IPA; ERASMUS+, the SC budget, Federal Ministry of Education and Science, EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Education, Science and Youth, Employment Service of the SC, Ministry of Economy, CCSC, SERDA	
BENEFICIARIES	Pupils and students, teaching staff, partners in the education system	

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.1 Improving the matching between supply and demand in the labour market and reducing structural unemployment	
MEASURE	2.1.2 Harmonization of enrolment policy in educational organizations and provision of professional orientation services	
OBJECTIVE OF THE MEASURE	Enhance the enrolment policy and career orientation of young people towards the needs of the labour market	
PROJECTS AND ACTIVITIES	2.1.2.1 Harmonization of enrolment policy for secondary schools and faculties according to the needs of the labour market	
	2.1.2.2 Establishment of career centres in the institutions of secondary and higher education for counselling the youth on professional orientation	
	2.1.2.3 Encouraging student enrolment in certain vocational schools and faculties for deficient occupations (scholarships, credits, study trips and other forms of stimulation)	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of enrolled for deficit and surplus occupations</i> • <i>Number of established Career Centres</i> • <i>Number of realized promotions of educational profiles required in the labour market</i> • <i>Number of organized youth counselling on professional orientation</i> 	<ul style="list-style-type: none"> • <i>Changed registration policies in accordance with labour market needs analysis</i> • <i>Established Career Centres and increased promotion of educational profiles according to labour market needs leading directly to the real sector</i> • <i>Youth counselling services for professional orientation</i>

	<ul style="list-style-type: none"> Number of beneficiaries of incentives for education in deficit professions 	<ul style="list-style-type: none"> Established incentive programs for education for deficit professions PI Secondary School for Business and Commerce Sarajevo ("My Job" Educating and encouraging youth to launch their own business to reduce unemployment rate in the SC)
DEVELOPMENT EFFECT	<i>Decreased number of unemployed with surplus occupations in labour market</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	520,000 KM SC budget, FBiH budget, EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Education, Science and Youth, Employment Service of the SC, Ministry of Economy, CCSC, SERDA	
BENEFICIARIES	Pupils and students of the final years who are opting for professional orientation, educational institutions in which Career Centres are being established	

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.1 Improving the matching between supply and demand in the labour market and reducing structural unemployment	
MEASURE	2.1.3 Improving cooperation and capacity of actors in the education and social partnerships in creating and implementing employment policies	
OBJECTIVE OF THE MEASURE	Establish a social partnership for employment	
PROJECTS AND ACTIVITIES	2.1.3.1 Establishment of the Coordination Body for Education and Employment in the SC by the Model of the Territorial Employment Pact	
	2.1.3.2 Mapping of educational institutions in the region and the EU (educational institutions of specific knowledge) and establishment of cooperation with educational institutions in the region and the EU	
	2.1.3.3 Strengthening of cooperation and capacity for mediation in employment and modernization of the information system of the Employment Service of the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Number (composition) of the signatory of the Cooperation Agreement and the number of meetings held by the established body Number of signed agreements on cooperation with educational institutions in the region and EU Number of vacancies published by employers through the SC Employment Service and an active online portal of labour and employment opportunities and incentives at the SC Employment Service 	<ul style="list-style-type: none"> An agreement on long-term cooperation signed between the actors in the education sector and the Coordinating Body (Territorial Pact/Board or similar) established (Ministry of Economy of the SC, Ministry of Education, Science and Youth of the SC, Institute for Education of the SC, University of Sarajevo, SC Employment Service and the Chamber of Commerce of the SC/economy, the Employers' Association, development agencies, etc.) Enhanced cooperation with educational institutions in the region by signing cooperation agreement Increased co-operation of the PI Employment Service with employers and the modernized information system of

		<i>the employment service, with an online portal of labour and job offers and incentives</i>
DEVELOPMENT EFFECT	<i>Increasing labour market integration rate within 6 months through improved cooperation of educational institutions and institutions with economy</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	500,000 KM PI "Employment Service of the SC", Budget of the SC, EU funds, business entities	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Employment Service of the SC, Ministry of Education, Science and Youth, Ministry of Economy, CCSC	
BENEFICIARIES	Educational institutions and facilities, PI Employment Service of the SC	

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.1 Improving the matching between supply and demand in the labour market and reducing structural unemployment	
MEASURE	2.1.4 Co-financing of employment program	
OBJECTIVE OF THE MEASURE	Reducing the number of unemployed people through co-financing of employment	
PROJECTS AND ACTIVITIES	2.1.4.1 Co-financing of re-qualification and up-skilling of employees for well-known employers to preserve jobs	
	2.1.4.2 Co-financing of self-employment program	
	2.1.4.3 Co-financing program for the employment of highly vulnerable categories of unemployed persons: disabled, demobilized combatants, trainees, youths up to 30 years, persons over the age of 45, returnees etc.	
	2.1.4.4 Co-financing of mentoring / introduction into the work of young unemployed persons without experience	
	2.1.4.5 Co-financing program for employment of trainees with university degree	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of employed re-qualified/up-skilled persons</i> • <i>Number of self - employed persons</i> • <i>Number of employees in difficult to employ categories</i> • <i>Number of mentored young people</i> • <i>Number of young people with university degree with trainee qualification</i> 	<ul style="list-style-type: none"> • <i>Increase in the number of employed re-qualified/up-skilled persons</i> • <i>Increase in the number of self - employed persons</i> • <i>Increase in the number of employees in difficult to employ categories</i> • <i>Increase in the number of mentored young people</i> • <i>Increase in the number of young people with university degree with trainee qualification</i>
DEVELOPMENT EFFECT	<i>Decrease in the number of unemployed persons by co-financing the re-qualification of the workforce for well-known employers, self-employment support, employment of highly vulnerable categories, mentoring programs and the acquisition of internships</i> <i>Increase of average net wage</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	59,000,000 KM FBiH Budget, Federal Employment Service, PI "Employment Service of the SC", SERDA, Budget of the SC, EU funds, business entities	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	

COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Employment Service of the SC, Ministry of Economy, CCSC
BENEFICIARIES	Unemployed persons from the register, especially young people and members of the most vulnerable categories; employers are beneficiaries of co-financing program

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.1. Improving the matching between supply and demand in the labour market and reducing structural unemployment	
MEASURE	2.1.5 Support to special programs for reducing long-term unemployment	
OBJECTIVE OF THE MEASURE	Reduce time of waiting for employment through special employment programs	
PROJECTS AND ACTIVITIES	2.1.5.1 Training of unemployed persons for active job search with strengthening of specific skills (communication, presentation, foreign languages, computer work, organizational skills, managerial skills etc.)	
	2.1.5.2 Public works and public investment projects with employment	
	2.1.5.3 Projects of care for elderly or disabled people	
	2.1.5.4 Establishment of a Development Fund for access to funding for company development with employment	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Number of participants in active employment measures • Number of unemployed in the records for over 6 months • Number of realized public works projects and number of persons employed in public works projects • Number of employees through care projects of old and disabled persons • Functional Development Fund and value of co-financed employment 	<ul style="list-style-type: none"> • Increase of active employment measures for training of unemployed persons for active job search • Reduced period of waiting for employment and being on unemployment register • Reduced number of unemployed persons in the register through public works projects • Implemented projects of care after old and disabled persons • Established Development Fund for Employment Financing • Improved employment of young economists
DEVELOPMENT EFFECT	Decrease in the number of long-term unemployed persons who are on record for more than 9 years	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	3,080,000 KM PI "Employment Service of the SC", Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Ministry of Education, Science and Youth, Employment Service of the SC, Ministry of Economy, CCSC	
BENEFICIARIES	Unemployed persons from records, enterprises users of the (newly established) Development Fund	

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs
PRIORITY OBJECTIVE	2.2 Implementing effective re-qualification and adult education programs

MEASURE	2.2.1 Development and promotion of informal education (adult training) program in the SC	
OBJECTIVE OF THE MEASURE	Develop an adult education system and improve non-formal education programs in order to strengthen skills in the labour market	
PROJECTS AND ACTIVITIES	2.2.1.1 Creation and implementation of re-qualification and education programs for adults according to the needs of the labour market	
	2.2.1.2 Creation and realization of sector curricula and training programs for adults according to the requirements of economic subjects and in compliance with EU norms	
	2.2.1.3 Creating a series of educational online training courses for adults with a focus on job skills required at labour market	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of unemployed beneficiaries</i> • <i>Number of available re-qualification and up-skilling programs according to the needs of the labour market</i> • <i>Number of sector training programs and number of training program beneficiaries at the Chamber of Commerce of the SC</i> • <i>Number of developed and available online courses</i> 	<ul style="list-style-type: none"> • <i>Reduced number of unemployed adults</i> • <i>Available re-qualification and up-skilling programs according to the needs of the labour market</i> • <i>Established sector training programs at the Chamber of Commerce of the SC</i> • <i>Provided online courses for improving the skills of adult unemployed persons according to the needs of the labour market</i> • <i>Establishment of the Centre for Re-qualification of Unemployed Persons at the Employment Service of the SC</i> • <i>Adoption of the Law on Adult Education</i> • <i>Osnovna.ba (Enhance the IT skills of young future staff in the labour market: Provide primary and secondary school students with free access to interactive lessons designed to transfer, test and validate their knowledge; Provide primary and secondary school students with distance learning in regular and extraordinary situations; Provide students, parents and teaching staff of primary and secondary schools a safe place on the Internet for communication; Education of teaching staff for working on modern IT tools; Provide the Ministry of Education, Science and Youth with detailed statistical and analytical data on student's success and knowledge and on the quality of teaching staff work; Allow the Ministry to introduce alternative subject units; Provide free online training for people in business skills required for the labour market (modern IT tools, foreign languages, business communications, etc.)</i> • <i>Secondary School for Environmental Protection and Wood Design (Development and Promotion of Adult</i>

		<i>Formal and Informal Education Programs)</i>
DEVELOPMENT EFFECT	<i>Decrease in the level of unemployment of the labour force and increase in the level of employment by increasing the number of re-qualified workforce with the increase of the number of accredited andragogical institutions with verified programs</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	2,450,000 KM Budget of the SC, possible grants	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Employment Service of the SC, Ministry of Economy, Ministry of Education, Science and Youth, CCSC	
BENEFICIARIES	Unemployed adults	

STRATEGIC OBJECTIVE	2 To increase employment and create new, better-rated, jobs	
PRIORITY OBJECTIVE	2.3 Developing entrepreneurial culture	
MEASURE	2.3.1 Developing business models of social entrepreneurship	
OBJECTIVE OF THE MEASURE	Increase the inclusion of socially vulnerable categories by regulating the environment for social entrepreneurship	
PROJECTS AND ACTIVITIES	2.3.1.1 Preparation of the Social Entrepreneurship Development Program and strengthening competences for social entrepreneurship	
	2.3.1.2 Drafting the Law on Social Entrepreneurship	
	2.3.1.3 Establishment of the Centre for Social Entrepreneurship Development of the SC	
	2.3.1.4 Support to pilot projects of social entrepreneurship with the application of different business models (cooperative, work-integration companies, foundations, etc...)	
	2.3.1.5 Support for the inclusion of socially excluded categories in the active labour market (youth, women, disabled, veteran population)	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Prepared social entrepreneurship development program • Number of representatives of the SC and Municipalities educated on social entrepreneurship • Drafted and adopted Law on Social Entrepreneurship in accordance with EU practice • Functional Centre for Social Entrepreneurship • Number of established pilot business models of social entrepreneurship • Number of participants in entrepreneurship training from specific target categories (youth, women, returnees etc.) • Number of beneficiaries of training and support for employment of socially vulnerable categories (incentives, lending with subsidies, etc.) 	<ul style="list-style-type: none"> • Defined strategic guidelines and action plan for the development of social entrepreneurship and representatives of the SC and Municipalities educated on social entrepreneurship • Established legal framework for social entrepreneurship in accordance with EU practice • Established Centre for Social Entrepreneurship • Established pilot business models of social entrepreneurship (co-operative, maintenance of cleanliness, waste recycling, palliative care, patronage care etc.) • Improved skills of specific target categories for entrepreneurship (youth, women, returnees etc.) • Provided training (including further training) and financial support for

		<i>employment of youth, women, invalids, returnees and veterans (incentives, lending with subsidies, etc.)</i> <ul style="list-style-type: none"> • <i>PI Secondary School for Business and Commerce Sarajevo (Creative Workshop)</i>
DEVELOPMENT EFFECT	<i>Reduction of the number of unemployed persons from specific target groups, with the increase of SMEs through entrepreneurial activities of socially vulnerable categories</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,368,000 KM PI "Employment Service of the SC", Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Employment Service of the SC, Ministry of Economy, Ministry of War Veterans' Affairs, Ministry of Education, Science and Youth, CCSC	
BENEFICIARIES	Unemployed persons from specific target groups (young people, women, returnees, invalids, etc.)	

1.3 Strategic objective 3

Strategic objective 3: To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services

Table 27. Strategic objective 3 Synthesizing overview of priority objectives, measures and projects

	Priority objective		Measure		Projects
3.1	Empower social and labour activation of vulnerable groups of population and improve social protection system for poverty reduction	3.1.1	Reform of the Social Protection System - from a passive social transfer system to active social investment and social inclusion policies	3.1.1.1	Poverty and social exclusion analysis in the SC
				3.1.1.2	Analysis of the legal and institutional framework of the Social Protection System in the SC
				3.1.1.3	Defining new user targeting models and linking social protection measures and users' work engagement
				3.1.1.4	Establishing mechanism for effective coordination in the field of social protection between Municipalities and Sarajevo Canton
				3.1.1.5	Development of a multi-year human resources development program in the Centres for Social Work and the line Ministry
				3.1.1.6	Development of a Program for the Development of Out-Institutional Forms of Social Protection in the Local Community
				3.1.1.7	Development of a Program for the development of social protection network through strengthening of inter-sectoral cooperation with health, education, labour market institutions and NGOs
		3.1.2	Development and implementation of the joint Program of Social Inclusion and Work Activation 2017-2020 in Municipalities and SC	3.1.2.1	Development and implementation of the Program of Social Inclusion and Work Activation
				3.1.2.2	Defining the institutional framework and instruments for social inclusion of particular vulnerable groups
				3.1.2.3	Creation of a Program for addressing the housing needs of war veteran categories, displaced

	Priority objective		Measure		Projects
					families and families in the state of social need, according to the principle of social housing in the Sarajevo Canton for the period 2016-2020
				3.1.2.4	Defining models and approaches, and methods of working activation of working-age vulnerable groups (primarily long-term unemployed persons aged 15-65)
				3.1.2.5	Establishment of the Program implementation and monitoring coordination mechanism
3.2	Reform health care and health services system	3.2.1	Improving the efficiency and effectiveness of health services	3.2.1.1	Introduction of standardization and quality according to European standards
				3.2.1.2	Introduction of new health services
				3.2.1.3	Informatization and introduction of e-Health
		3.2.2	Improvement of health infrastructure	3.2.2.1	Construction, reconstruction and equipping of public health institutions
		3.2.3	Improvement of the health insurance system	3.2.3.1	Analysis of the consequences of the existing legal framework
				3.2.3.2	Defining the objectives and updating the legal framework
		3.2.4	Development of health tourism (link to strategic objectives 1 and 2)	3.2.4.1	Drafting the Health Tourism Development Plan
3.3	Improve the quality and availability of educational services for all target population groups	3.3.1	Introduction and application of quality and efficiency standards and accreditation of school programs at all levels of education	3.3.1.1	Make amendments to standards and norms for all levels of education in accordance with EU standards in education
		3.3.2	Increasing the information literacy of the population	3.3.2.1	Developing a Plan of Information Learning for Adults (with special reference to vulnerable groups) for the period 2017-2020
				3.3.2.2	Development of information education plan for teaching staff at all levels of education
				3.3.2.3	Introduction of e-schools in primary and secondary schools in the SC
		3.3.3	Introduction of the system for early detection, diagnosis and intervention for children with developmental difficulties	3.3.3.1	Legal regulation of the field of the System for early detection, diagnosis and intervention for children with developmental difficulties, and inclusion of children with difficulties in nursing and schooling
				3.3.3.2	Creating the program for introduction of early detection
		3.3.4	Improving adult education	3.3.4.1	Introduction of the concept of lifelong learning in line with EU standards and recognition of informal knowledge and skills
		3.3.5	Improvement of educational infrastructure	3.3.5.1	Reconstruction and equipping of school facilities
				3.3.5.2	Reconstruction and equipping of the UNSA higher education institutions

	Priority objective		Measure		Projects
3.4	Strengthen the social value of culture and sports	3.4.1	Promotion and increase of accessibility and quality of cultural services	3.4.1.1	Promotion of cultural life and accessibility of cultural services
		3.4.2	Support to the development of cultural infrastructure	3.4.2.1	Development of business models for increasing investment in cultural infrastructure
				3.4.2.2	Construction of the Museum of Contemporary Art Ars Aevi
				3.4.2.3	Establishment of a system for coordinated and efficient management and financing of cultural activities
		3.4.3	Promotion of sports culture and sports accessibility	3.4.3.1	Develop and adopt the Action Plan for the Promotion of Recreational Sports
		3.4.4	Support for the development of sports infrastructure	3.4.4.1	Construction and improvement of sports infrastructure in the SC
				3.4.4.2	Reconstruction of existing and building new capacities of KJP Centar Skenderija
		3.4.5	Protection of cultural and historical heritage	3.4.5.1	Improve the protection of cultural and historical heritage
				3.4.5.2	Improve preservation of the achievements of the defence-liberation war 92-95

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.1 Empower social and labour activation of vulnerable groups of population and improve social protection system for poverty reduction	
MEASURE	3.1.1 Reform of the Social Protection System - from a passive social transfer system to active social investment and social inclusion policies	
OBJECTIVE OF THE MEASURE	Improve targeting of social transfers and increase investment in social and labour inclusion	
PROJECTS AND ACTIVITIES	3.1.1.1 Poverty and social exclusion analysis in the SC	
	3.1.1.2 Analysis of the legal and institutional framework of the Social Protection System in the SC	
	3.1.1.3 Defining new user targeting models and linking social protection measures and users' work engagement	
	3.1.1.4 Establishing mechanism for effective coordination in the field of social protection between Municipalities and Sarajevo Canton	
	3.1.1.5 Development of a multi-year human resources development program in the Centres for Social Work and the line Ministry	
	3.1.1.6 Development of a Program for the Development of Out-Institutional Forms of Social Protection in the Local Community	
	3.1.1.7 Development of a Program for the development of social protection network through strengthening of inter-sectoral cooperation with health, education, labour market institutions and NGOs	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Defined the most vulnerable population groups, according to EU indicators (displaced persons, long-term unemployed, homeless, Roma, single-parent families, persons with disabilities, 	<ul style="list-style-type: none"> Established bases for better targeting of social protection Created bases for a more transparent monitoring of poverty and social exclusion in the SC

	<p><i>elderly people with low income or no income...)</i></p> <ul style="list-style-type: none"> • <i>Created quantification of poverty and social exclusion (index of social exclusion) in Sarajevo Canton 2015-2018</i> • <i>Mapped Needs of individual vulnerable groups</i> • <i>Defined necessary changes to the legal framework and the proposed initiatives for FBIH (Law on Social Welfare Bases, Law on Protection of Families with Children, Law on Uniform Principles and Framework of Material Support for Persons with Disabilities, Law on Displaced Persons, Law on Unified Registers of Cash Allowances for which Contributions are not paid</i> • <i>Defined methodologies and mechanisms for better targeting through indirect property censuses</i> • <i>Estimation of the expected result - poverty reduction and increase of social inclusion as a result of the development of social entrepreneurship/labour-integration companies (volunteers, connecting of CSW and Employment Service, work activation of users, investment in social entrepreneurship)</i> • <i>Defined key sector opportunities and demands for introduction of public works, and work integration companies</i> • <i>Established mechanism for effective vertical coordination in the area of social protection between Municipalities and Canton Sarajevo, and cross-sector coordination at the SC level</i> • <i>Established planning approach to building institutional and human capacities for implementation of reform goals of social protection</i> • <i>Defined goals and expected results of program</i> • <i>Defined mechanisms of a combined system of social protection in service delivery</i> • <i>Defined role of non-institutional actors in social protection</i> • <i>Definition of support policies of NGO sector in the area of social services provision in the SC</i> • <i>Defined mechanisms for monitoring the quality of provision of social services</i> • <i>Evaluation of the effects of the application of the combined social protection system in the provision of</i> 	<ul style="list-style-type: none"> • <i>Recognize needs of the most vulnerable groups as a basis for designing of social inclusion programs and necessary changes in the legal and institutional framework</i> • <i>Redefined criteria for assigning social transfers</i> • <i>Created bases for drafting the Social Entrepreneurship Development Strategy</i> • <i>Accelerated development of the sector (especially the environment, tourism, culture, social protection, sport...) through the introduction of public works and social entrepreneurship</i> • <i>Increased efficiency and impact of social protection and social inclusion measures</i> • <i>Improved institutional capacities and human resources competences</i> • <i>Expected poverty reduction and increase of social inclusion in the period of the Program</i> • <i>Enhanced social inclusion through CSOs and public institutions' business cooperation models</i>
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	<p>services on social and economic development of the SC</p> <ul style="list-style-type: none"> • Defined goals of introducing an integrated approach to the development of the social protection network by 2020 • Defined role of individual actors • Defined coordination mechanisms 	
DEVELOPMENT EFFECT	Increasing the efficiency of budget spending at the level of the SC and the Municipalities for social transfers, increased share of funds for social investment, reduced scale of poverty and increased social inclusion of vulnerable groups	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	500,000 KM Budget and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2018-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, other relevant institutions	
BENEFICIARIES	Vulnerable population groups, community as a whole	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.1 Empower social and labour activation of vulnerable groups of population and improve social protection system for poverty reduction	
MEASURE	3.1.2 Development and implementation of the joint Program of Social Inclusion and Work Activation 2017-2020 in Municipalities and SC	
OBJECTIVE OF THE MEASURE	Increase the scope of involvement of vulnerable groups in social and labour activation projects	
PROJECTS AND ACTIVITIES	3.1.2.1 Development and implementation of the Program of Social Inclusion and Work Activation	
	3.1.2.2 Defining the institutional framework and instruments for social inclusion of particular vulnerable groups	
	3.1.2.3 Creation of a Program for addressing the housing needs of war veteran categories, displaced families and families in the state of social need, according to the principle of social housing in the Sarajevo Canton for the period 2016-2020	
	3.1.2.4 Defining models and approaches, and methods of working activation of working-age vulnerable groups (primarily long-term unemployed persons aged 15-65)	
	3.1.2.5 Establishment of the Program implementation and monitoring coordination mechanism	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Creating a Social Inclusion Program • Capacity Building of CSW and Ministries for the implementation of modern social inclusion instruments) • Defined role of different stakeholders (Canton, Municipalities, NGO sector as a provider of social inclusion services and CSW promotion), and mechanisms for coordinating implementation and monitoring of progress 	<ul style="list-style-type: none"> • Adopted Social Inclusion Program • The scope of increasing the number of participants in social and labour activation projects by 2020 • Established system of rights and responsibilities of beneficiaries of social benefits and system of monitoring and evaluation of programs • Influence of the introduction of the Day Centre for Children with Disabilities, Centre for Economic Empowerment of

	<ul style="list-style-type: none"> • <i>Defined policies of support of NGO Sectors in the field of providing social inclusion services in the SC and development of social entrepreneurship</i> • <i>Defined framework of funds available at the level of the SC and Municipalities, and expected funds from international assistance for realization</i> • <i>Defined mechanisms to support housing issues of war veterans and displaced persons and other families in a state of social needs</i> • <i>Defined mechanisms of implementation coordination at the SC and Municipality level</i> • <i>Defined framework of funds available at the level of the SC and Municipalities, and expected funds from international assistance for realization of Housing Program</i> • <i>Estimated existing active employment measures (public works, employment incentives)</i> • <i>Defined new modes of work activation (volunteering with the aim of upgrading skills, public works, training and employment in social enterprises...)</i> • <i>Defined working activation goals by 2020</i> • <i>Defined key actors at the SC and Municipality level,</i> • <i>Defined mechanisms of implementation coordination and implementation monitoring</i> • <i>Defined key instruments/work activation models</i> • <i>Established mechanism for effective vertical and horizontal coordination of implementation</i> • <i>Established monitoring and evaluation system</i> 	<p><i>Women and Rehabilitation of Terror Victims, Old Age Homes,</i></p> <ul style="list-style-type: none"> • <i>Expected impact of the introduction of Action Programs:</i> • <i>for re-socialization of the addicted,</i> • <i>social inclusion of children with cerebral palsy</i> • <i>to improve social inclusion</i> • <i>Improved institutional capacities and human resources competences</i> • <i>Increased quality and efficiency of activation projects through business models of vertical and horizontal cooperation of public sector and cooperation with NGO sector</i> • <i>Provided adequate financial framework for the implementation of the Program</i> • <i>The scope of participants in social and labour activation projects</i> • <i>Decrease of the share of war veterans and displaced persons with unresolved housing issues</i> • <i>Increased efficiency and quality and long-term impact of work activation of vulnerable groups (youth, long-term unemployed)</i> • <i>Share of youth and long-term unemployed people involved in work activation projects by 2020</i> • <i>Defined economically viable and efficient business model of labour activation, based on the partnership approach of cooperation between public, non-governmental and private sector (primarily in social entrepreneurship)</i> • <i>Increased efficiency of implementation, increased social capital in the SC</i>
DEVELOPMENT EFFECT	<i>Increased scope of social inclusion, increased number of jobs through social innovation and support to the development of strategic development sectors (environment, social services, culture, sport, tourism...), developed new competency profiles and improved competitiveness in the labour market</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	10,050,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Ministry for War Veterans' Issues, Municipalities	
BENEFICIARIES	Vulnerable population groups, the unemployed, community as a whole	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.2 Reform health care and health services system	
MEASURE	3.2.1 Improving the efficiency and effectiveness of health services	
OBJECTIVE OF THE MEASURE	Increase the efficiency, quality and accessibility of health services for all population groups	
PROJECTS AND ACTIVITIES	3.2.1.1 Introduction of standardization and quality according to European standards	
	3.2.1.2 Introduction of new health services	
	3.2.1.3 Informatization and introduction of e-Health	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Clinical guidelines defined as standardization background</i> • <i>Accreditation system introduced</i> • <i>Defined system for monitoring effects and payment per effects</i> • <i>Adopted mid-term human resources development plan according to international standards</i> • <i>Established medicine services according to EU standards</i> • <i>Consolidation in the field of occupational medicine, i.e. specialized institutes</i> • <i>Adopted palliative care strategy</i> • <i>Adopted plan of prevention of the most common chronic mass non-communicable diseases and reduction of disability due to the same</i> • <i>Adopted oral health prevention and protection plan</i> • <i>Defined goals and program of promotional activities for healthy living</i> • <i>Adopted program of re-socialization of former addicts (psychological and hobby workshops)</i> • <i>Introduced unique database of insured persons, which provides more transparent and efficient provision of health services</i> • <i>Established Standard Health Care Station in Public Health Institutions of the SC</i> • <i>Created Internet portal and mobile application for scheduling doctor appointments at the Canton level</i> • <i>Created system and online application for allocation of appointments in waiting rooms by issuing numbers in all places offering health services</i> • <i>Established central telephone number (call centre) for scheduling doctor appointments at the Canton level</i> • <i>Functional software solution for delivery of laboratory reports by e-mail at the</i> 	<ul style="list-style-type: none"> • <i>Introduced standards of quality and efficiency of health services</i> • <i>Increased and balanced quality of health care services</i> • <i>Improved institutional capacities and human resources competences according to EU standards</i> • <i>Improved disease prevention system and improved healthy life promotion</i> • <i>Increased scope of successfully rehabilitated ex-addicts</i> • <i>Shortened waiting time and efficiency of health diagnosis and treatment of patients</i> • <i>Increased linkage of health care system</i> • <i>Improved and more effective healthcare services monitoring system</i> • <i>Decreasing number of persons with alcohol and other PAS abuse problems as well as number of addicts</i> • <i>Increase in the number of addicts in treatment programs</i> • <i>Established OST Program in the Sarajevo Penitentiary Institution</i> • <i>Reduction of recidivists and returnees in crimes</i>

	<p><i>level of the entire Canton including all laboratories, doctors and patients</i></p> <ul style="list-style-type: none"> • <i>Established system of permanent health booklets/cards</i> • <i>Established electronic health card system with option for patient to access to the same</i> • <i>Defined and functional module for statistical reporting on implemented health services at the level of the entire Canton, which would enable effective control of the health system</i> • <i>Treća gimnazija (High-School): Detection of radioactive radon gas and products of its degradation</i> • <i>Psychotherapeutic support in Treća gimnazija (High-School)</i> • <i>Prevention of obesity and reduction of its incidence in children and adolescents (Ensar Abazović)</i> • <i>Strengthening mechanisms necessary to establish effective and conscientious management in health care</i> • <i>Improvement of health system management</i> • <i>Rationalization of specialist-consultative and hospital health care</i> • <i>Strengthening the role of the public sector</i> • <i>Improvement of the pharmaceutical sector to ensure optimal availability of effective, safe, high quality and cost-effective drugs</i> • <i>Improving healthcare management technologies</i> • <i>Improving the effectiveness of health promotion and disease prevention through media and public campaigns</i> • <i>Drafting a media promotion plan for public health diseases and disturbances with the assistance of Cantonal Public Health Institute</i> • <i>Adopted Program for Prevention and Treatment of Addiction on Alcohol and Other Psychoactive Substances (PAS)</i> • <i>Adopted Program of Opioid Substitution Therapy (OST) in the Sarajevo Penitentiary Institution</i> 	
DEVELOPMENT EFFECT	<i>Improved physical, mental and psychological health of the population, reduced need for health care services outside the SC, reduced mortality rate in various diseases and traumatic diseases</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	8,902,000 KM Budget of the SC, Health Insurance Fund and other funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	

COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Health, Institute for Informatics and Statistics of the SC, Ministry of Education, Science and Youth
BENEFICIARIES	Residents, employed, health institutions

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.2 Reform health care and health services system	
MEASURE	3.2.2 Improvement of health infrastructure	
OBJECTIVE OF THE MEASURE	Balance conditions for quality and availability of health services for all population groups in the SC	
PROJECTS AND ACTIVITIES	3.2.2.1 Construction, reconstruction and equipping of public health institutions	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Developing the hospital Master Plan</i> • <i>Creating a Register of Space, Personnel and Equipment</i> • <i>Phase II of Works on Remediation of Heat Substations in the General Hospital</i> • <i>Reconstruction of the building of the PI Psychiatric hospital of the Sarajevo Canton, which is in use and the beginning of work on the construction of devastated facilities within the Hospital area</i> • <i>UKCS (University Clinical Centre Sarajevo) Haematology Clinic (Project "A" -stationary 13th Floor of CMB (Central Medicine Block)</i> • <i>UKCS Clinic for General and Abdominal Surgery, Gastroenterological Clinic (Project "B" - Stationary 12th floor of CMB)</i> • <i>UKCS Clinic for Oncology and Glandular Surgery, Clinic for Thoracic Surgery and Neurological Clinic - STROKE UNIT (Project "C" - Stationary 11th floor of CMB)</i> • <i>UKCS Urology, Nephrology and Transplant Clinic (Project "D" - Stationary 10th Floor of CMB)</i> • <i>UKCS - other un-built parts of CMB (Project "G")</i> • <i>"Energy Efficiency in BiH" for the Federation of BiH - for the building of PI Health Care Centre of the Sarajevo Canton, OU Health Care Centre Vogošća</i> • <i>Building upgrade of the Health Care Centre Ilijaš</i> • <i>Construction, reconstruction and rehabilitation of the PI Health Care Centre Novi Grad Kumrovac, Construction of the out-patient clinic Hrasno Brdo</i> 	<ul style="list-style-type: none"> • <i>Increasing the quality and availability of health services</i>

	<ul style="list-style-type: none"> Plan the construction and equipping of a family medicine out-patient clinic in the locality Rosulje-Blagovac Building upgrade of the OU Health Care Centre Vogošća Equipment for Department of radiology and ultrasound diagnostic with US and X-ray apparatus Equipping-renovation of the entire electro-therapy equipment in CBR KCUS program 6: Jitt, Clinic for Endocrinology, Angiology and Hyperbaric Medicine (project "E" - stationary 09th floor of CMB) Clinic for heart disease and rheumatism (project "F" - stationary 08th floor of CMB) Supply of priority medical equipment Upgrade and heating of the Health Care Centre Stari Grad 	
DEVELOPMENT EFFECT	Equal conditions for quality provision of primary and special health services in the SC	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	103,495,900 KM various funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Health, Clinical Centre, Health Care Facilities	
BENEFICIARIES	Residents, employed, health institutions	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.2 Reform health care and health services system	
MEASURE	3.2.3 Improvement of the health insurance system	
OBJECTIVE OF THE MEASURE	Improve coverage of population with health insurance and economic sustainability of health insurance system	
PROJECTS AND ACTIVITIES	3.2.3.1 Analysis of the consequences of the existing legal framework	
	3.2.3.2 Defining the objectives and updating the legal framework	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> An analysis carried out of the existing health insurance system from the aspect of efficiency and coverage and economic sustainability Observed shortcomings Defined goals Adopted an updated legal framework Strengthening the protection of rights of patients and health professionals Improvement of the System of Contracting and Payment of Health Services by combining risk, increasing solidarity 	Expected results <ul style="list-style-type: none"> Enhanced population coverage with health insurance Improved economic sustainability of health insurance system

	<ul style="list-style-type: none"> Improving equity in health care financing 	
DEVELOPMENT EFFECT	<i>Established a long-term, economically viable health insurance system with a high population coverage rate that provides quality and efficient healthcare supply and does not adversely affect the performance of other social subsystems (e.g. fictitious number of unemployed...)</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	100,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Health	
BENEFICIARIES	Residents, employed, health institutions	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.2 Reform health care and health services system	
MEASURE	3.2.4 Development of health tourism (link to strategic objectives 1 and 2)	
OBJECTIVE OF THE MEASURE	Increasing the economic contribution of health services	
PROJECTS AND ACTIVITIES	3.2.4.1 Drafting the Health Tourism Development Plan	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Established model of health tourism development and PPP in the field of health care Established coordination mechanism between the Ministry of Economy and the Ministry of Health Defined necessary legal framework changes Defined goals by 2020 and monitoring systems 	<ul style="list-style-type: none"> Increased health care revenues based on health tourism Enhanced investment opportunities in health infrastructure and employment of new healthcare workers Increased quality of health services available except for tourists and locals
DEVELOPMENT EFFECT	<i>Increased income and contribution of health, GDP growth based on health tourism, as a market product</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	150,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Health, Ministry of Economy	
BENEFICIARIES	Tourists, tourism and health organizations, residents of the SC	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services
PRIORITY OBJECTIVE	3.3 Improve the quality and availability of educational services for all target population groups

MEASURE	3.3.1 Introduction and application of quality and efficiency standards and accreditation of school programs at all levels of education	
OBJECTIVE OF THE MEASURE	Increase the quality and efficiency of the education system	
PROJECTS AND ACTIVITIES	3.3.1.1 Make amendments to standards and norms for all levels of education in accordance with EU standards in education	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Defined standards of quality and efficiency of educational services in pre-school, elementary, secondary and tertiary education</i> • <i>Introduced standards and criteria for assessing the quality of curricula and teachers in accordance with EU guidelines</i> • <i>Established accreditation system for secondary and higher education programs in public and private educational institutions</i> • <i>Launched Initiative for adoption of the Law on Higher Education at BiH Level, with certification of educational institutions</i> • <i>Introduced state Matura (final examination) after secondary education and state exam after higher education</i> • <i>Introduced new payment mechanisms, which will include incentive mechanisms for introducing efficiency measurement mechanisms</i> • <i>Established integral information system in education</i> • <i>Provided conditions for scientific and research work on higher education institutions</i> • <i>Introduction of lifelong learning</i> • <i>Faculty of Economics (Accreditation of study programs at HEI SC)</i> • <i>Provision of conditions for the realization of bilingual teaching (B/C/S and German language) in Gimnazija Obala (High School)</i> • <i>Primary school Aleksa Šantić (Increasing motivation of parents for active participation in school work, through implementation of joint initiatives promoting co-operation, co-operative learning and exchange of experiences)</i> • <i>PI Secondary School of Business, Commerce and Trade Sarajevo ("Most Beautiful Age is in School" - Activation of secondary school students from the Sarajevo Canton in social and community activities)</i> • <i>PI Secondary School for Traffic and Communications (Evaluation and reform</i> 	<ul style="list-style-type: none"> • <i>Higher level of equalization of quality of education services in the territory of the SC according to EU standard criteria</i> • <i>Established system of verification of competences acquired as a basis for enrolment in higher level of education</i> • <i>Established system of verification of competences acquired for work in public administration</i> • <i>Increased transparency and availability of information</i> • <i>Increasing the quality and opportunities for developing the basis for more efficient social and economic development</i> • <i>Increased human capital and competences for successful work and facing life changes</i>

	<p><i>of the Curriculum for occupations of the 3rd degree)</i></p> <ul style="list-style-type: none"> • <i>Treća gimnazija (High School) (Textbook for Physics)</i> • <i>Master's Studies "Management and Marketing in Culture"</i> 	
DEVELOPMENT EFFECT	<i>Improved competences of pupils and students in line with labour market needs and internationally recognized educational profiles, equal educational profile standards, reduced structural unemployment, competitive economy and public administration</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	2,368,000 KM EU funds, Budget of the SC, business entities	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry for Education, Science and Youth	
BENEFICIARIES	Pupils, students, educational institutions, academic community	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.3 Improve the quality and availability of educational services for all target population groups	
MEASURE	3.3.2 Increasing the information literacy of the population	
OBJECTIVE OF THE MEASURE	Increase the share of the population capable of using IT technology in everyday work, life and learning	
PROJECTS AND ACTIVITIES	3.3.2.1 Developing a Plan of Information Learning for Adults (with special reference to vulnerable groups) for the period 2017-2020	
	3.3.2.2 Development of information education plan for teaching staff at all levels of education	
	3.3.2.3 Introduction of e-schools in primary and secondary schools in the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Analysis of all currently available offers for non-formal education in the SC, including identification of key gaps</i> • <i>Defined types of information training needed and target groups that will receive free access</i> • <i>Defined target values by 2020</i> • <i>Defined criteria for selection of contractor's network</i> • <i>Provided support for information literacy programs and remote learning programs</i> • <i>Defined service payment standards, volume of resources needed and expected number of participants by 2020</i> • <i>Defined monitoring and evaluation mechanisms</i> • <i>Introduced concept of compulsory lifelong education of teachers in the</i> 	<ul style="list-style-type: none"> • <i>Established transparent system of options for information literacy for youth and adults</i> • <i>Share of information literate population</i> • <i>Youth trained for online learning</i>

	<p><i>application of information technologies in teaching</i></p> <ul style="list-style-type: none"> • <i>Equipped computer classrooms</i> • <i>Trained teaching staff for program implementation</i> • <i>Digitization of archival and library materials</i> • <i>The embedded Virtual Learning Environment in daily teaching in primary and secondary schools of the SC</i> • <i>Qualified teaching staff to use the software solution</i> • <i>Introduced "Online week" during the school year</i> • <i>Defined standards for electronic teaching content</i> • <i>Provided professional support for the promotion of electronic teaching content</i> • <i>Introduced obligatory e-mail addresses for all students and teachers</i> • <i>Introduced informal e-education for children and youth in public institutions, youth centres and other available institutions</i> • <i>Introduction of e-learning/distance learning</i> 	
DEVELOPMENT EFFECT	<i>Increased human capital through the use of information technologies in the process of learning and interpersonal communication enables faster social and economic development and active citizenship of all generations</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	6,000,000 KM Budget of the SC, possible grants, EU funds, business entities, UNDP	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Education, Science and Youth, Ministry of Culture and Sports, Institute for Informatics and Statistics of the SC, SERDA	
BENEFICIARIES	Students, residents, teaching staff	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.3 Improve the quality and availability of educational services for all target population groups	
MEASURE	3.3.3 Introduction of the system for early detection, diagnosis and intervention for children with developmental difficulties	
OBJECTIVE OF THE MEASURE	Improve the conditions for education of children with developmental difficulties	
PROJECTS AND ACTIVITIES	3.3.3.1 Legal regulation of the field of the System for early detection, diagnosis and intervention for children with developmental difficulties, and inclusion of children with difficulties in nursing and schooling	
	3.3.3.2 Creating the program for introduction of early detection	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • <i>Regulated legal system</i> • <i>Creating and implementing educational programs within higher education institutions for the purpose of raising the level of knowledge and creation of adequate professional staff</i> • <i>Connecting health system of early detection and diagnosis with system of early intervention for children with developmental disabilities</i> • <i>Creating spatial prerequisites for implementing early intervention program for children with developmental disabilities and training of professional staff and parents (Resource Centre)</i> • <i>Additional education of professional staff in regular and special education for the application of modern methodology</i> • <i>Parent/family education</i> • <i>Regulating legal status and ensuring continuous engagement of expert staff of Resource Centre for work on early intervention program for children with developmental difficulties, additional education of professional staff and parent education</i> • <i>Raising awareness in society about the importance of early detection and intervention system in work with children with developmental disabilities and rights of these children</i> 	<ul style="list-style-type: none"> • <i>Increased participation of children and young people with special needs who have access to education services in accordance with their specific needs</i> • <i>Recognized special needs of children with developmental disabilities in the family and the wider community</i>
DEVELOPMENT EFFECT	<i>Enhanced life and professional competences and improved opportunities for young people with developmental difficulties for inclusion in social and economic development and economic autonomy</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	500,000 KM EU funds, budget of the SC, UNDP, UNICEF	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry for Education, Science and Youth, Ministry of Health	
BENEFICIARIES	Children with developmental disabilities	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services
PRIORITY OBJECTIVE	3.3 Improve the quality and availability of educational services for all target population groups
MEASURE	3.3.4 Improving adult education
OBJECTIVE OF THE MEASURE	Increase the share of adult population involved in permanent education and upgrade their competences
PROJECTS AND ACTIVITIES	3.3.4.1 Introduction of the concept of lifelong learning in line with EU standards and recognition of informal knowledge and skills

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Prepared situational analysis and established EU indicators with baseline values • Defined target values in 2020 and completed promotion of the lifelong learning concept • Defined incentive mechanisms • Defined and implemented active promotion of lifelong learning among the population, especially among vulnerable groups • Introduced lifelong education for teachers to use information technology to provide education services and development of skills for adults and various vulnerable groups in accordance with EU standards • Provided support for capacity building of libraries especially at universities, the National Museum, Gazi Husrev-bey's library, for e-learning purposes. • Stimulated and promoted co-operation programs with educational institutions in EU that provide lifelong learning services • Defined mechanisms of tracking the application of concepts among different population groups • Introduced system of recognition/certification of informal knowledge and skills • Defined monitoring and evaluation mechanisms • Faculty of Economics (Adult Education Improvement - LLL and TM programs) 	<ul style="list-style-type: none"> • Established and functioning lifelong learning system • Increased share of the population involved in lifelong learning processes
DEVELOPMENT EFFECT	<i>Increased human capital and population capability for active citizenship and economic participation</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	1,000,000 KM EU funds, budget of the SC, Municipalities, UNDP, UNICEF	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry for Education, Science and Youth	
BENEFICIARIES	Residents, pupils, students, teaching staff	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services
PRIORITY OBJECTIVE	3.3 Improve the quality and availability of educational services for all target population groups
MEASURE	3.3.5 Improvement of educational infrastructure
OBJECTIVE OF THE MEASURE	Equalizing the conditions for implementation of educational services in the SC area
PROJECTS AND ACTIVITIES	3.3.5.1 Reconstruction and equipping of school facilities

3.3.5.2 Reconstruction and equipping of the UNSA higher education institutions		
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Construction of a pre-school facility for LCs Velešići and Gornji Velešići</i> • <i>Putting into operation of devastated buildings owned by JU Djeca Sarajeva (PI Children of Sarajevo)</i> • <i>Rehabilitation/reconstruction of school facilities</i> • <i>Equipping of school libraries with the aim of increasing the quality of education</i> • <i>Project for realization of planned activities for scientific and research works of the Faculty of Architecture</i> • <i>Security of pupils and property protection of Četvrta osnovna škola (4th Primary School)</i> • <i>Druga osnovna škola (2nd primary school (equipping of the hall for stimulation of psycho-motor development of children, Classroom of the Future, Arranging school library interior, Computerization - window to the world)</i> • <i>School of Electrical Engineering for Energy (equipping laboratories for practical teaching; raising the level of information on environmental protection and preservation; popularization and promotion of significance of use of renewable energy sources and smart installations and methods to improve energy efficiency of facilities)</i> • <i>Faculty of Electrical Engineering (Bosnia forum)</i> • <i>Reconstruction of the school building of the Gimnazija Obala (High School)</i> • <i>Prva gimnazija (High School) (recovery of the basement rooms)</i> • <i>PI Secondary School of Business, Commerce and Trade Sarajevo (establishment of the school camp)</i> • <i>PI Secondary School for Traffic and Communications (recovery of book fund)</i> • <i>PI Secondary School for Traffic and Communications (equipment for the diagnosis of motor vehicles)</i> • <i>Secondary School for Dental Technicians (equipping of three dental technical laboratories)</i> • <i>Secondary School Centre Hadžići (upgrading and equipping of the existing building)</i> 	<ul style="list-style-type: none"> • <i>Equal conditions for rendering of educational services and the use of modern methodologies</i> • <i>Provided access to the most up-to-date information sources within the libraries for the whole population</i>

	<ul style="list-style-type: none"> • School of Dental Medicine UNSA (adaptation of premises on the 4th floor) • School of Dental Medicine UNSA (reconstruction and restoration of facade) • School of Dental Medicine UNSA (purchase of dental medicine equipment) • Treća gimnazija (High School) ("European Language Days - Week of Foreign Languages") • PI PS Izet Šabić (rehabilitation of wet rooms) • PI PS Izet Šabić (construction of an outdoor multipurpose sports ground) • Reconstruction of swimming pool at the Faculty of Sport and Physical Education of the University of Sarajevo 	
DEVELOPMENT EFFECT	<i>Increased human capital and population capability for active citizenship and economic participation, increased attractiveness of education</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	17,615,000 KM EU funds, budget of the SC, Municipalities, UNDP, UNICEF, business entities	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Education, Science and Youth, PI Children of Sarajevo, Municipalities	
BENEFICIARIES	Families with preschool age children, students, residents	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.4 Strengthen the social value of culture and sports	
MEASURE	3.4.1 Promotion and increase of accessibility and quality of cultural services	
OBJECTIVE OF THE MEASURE	Increasing the share of the population of the SC that regularly use cultural services	
PROJECTS AND ACTIVITIES	3.4.1.1 Promotion of cultural life and accessibility of cultural services	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • Defined baseline and target values by 2020 • Defined incentive mechanisms for increasing access to cultural services to citizens, in particular vulnerable population groups • Defined incentive mechanisms and impact monitoring mechanisms • Introduced incentive projects (i.e. Sarajevo European Capital of Culture, participation in the European competition Entente florale) • Strengthening the quality of cultural programs and improving coordination between cultural institutions 	<ul style="list-style-type: none"> • Scope of population regularly using one or more cultural services • Established system for coordinated and efficient management and financing of cultural activities

	<ul style="list-style-type: none"> • <i>Establishment of a system for coordinated and efficient management and financing of cultural activities</i> • <i>Juventafest- International Festival of High School Theatre</i> 	
DEVELOPMENT EFFECT	<i>Increasing cultural education and satisfaction of citizens of the SC</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	11,300,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Culture and Sport	
BENEFICIARIES	Residents, cultural institutions	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.4 Strengthen the social value of culture and sports	
MEASURE	3.4.2 Support to the development of the cultural infrastructure	
OBJECTIVE OF THE MEASURE	Improve the quality, functionality and attractiveness of cultural infrastructure	
PROJECTS AND ACTIVITIES	3.4.2.1 Development of business models for increasing investment in cultural infrastructure	
	3.4.2.2 Construction of the Museum of Contemporary Art Ars Aevi	
	3.4.2.3 Establishment of a system for coordinated and efficient management and financing of cultural activities	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Reconstruction of the "Austrian House" (cultural information centre, architectural pavilion and art pavilion)</i> • <i>Project "Kinoteka BiH"</i> • <i>Construction of the Concert Hall Sarajevo</i> • <i>Building the Fountain on the square at the Railway Station</i> • <i>Training of artists, cultural professionals and organizations in performing and other arts, advertising, film, TV, music, interdisciplinary arts, heritage and the video games industry, for applying to the new EU Creative Europe program</i> • <i>Constructed Museum of Contemporary Art Ars Aevi by the project of world architect Renzo Piano and the building of the Cultural Centre</i> • <i>Established Museum Quarter (MQ) of global importance (National Museum, BiH Museum of History, Ars Aevi) in Sarajevo</i> • <i>Formation of the wing of PI Museum of Sarajevo, culture of living of the Croat family in Sarajevo</i> 	<ul style="list-style-type: none"> • <i>Increased number of visits</i>

	<ul style="list-style-type: none"> • <i>Small scene of the national theatre with accompanying facilities and accommodation capacities</i> 	
DEVELOPMENT EFFECT	<i>Increased scope of investment in cultural infrastructure using different business models and sources of funding, increased attractiveness of tourist destination</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	15,000,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Culture and Sport	
BENEFICIARIES	Residents, tourists, cultural institutions, artists	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.4 Strengthen the social value of culture and sports	
MEASURE	3.4.3 Promotion of sports culture and sports accessibility	
OBJECTIVE OF THE MEASURE	Increase citizens' involvement in sports and recreational activities	
PROJECTS AND ACTIVITIES	3.4.3.1 Develop and adopt the Action Plan for the Promotion of Recreational Sports	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Adopted Action Plan for Promotion of Recreational Sports (use of green areas, recreation for the third age, psycho-physical relaxation, physical therapy and rehabilitation, physical exercise in preschool institutions)</i> • <i>Adopted Sporting Activities on Sporting Surfaces Management Program (content, directions, control and safety)</i> 	<ul style="list-style-type: none"> • <i>Increased share of all generations of population, which are regularly included in recreational sporting activities</i> • <i>Increasing support for the identification of sports talents and supporting their development</i> • <i>Introduced free terms in sport halls, sports clubs by schedule of use and return of sports to schools in the SC</i> • <i>Provided support to sports clubs for the establishment and maintenance of network of specialists/trainers for sports education from pre-school age to age of 65</i>
DEVELOPMENT EFFECT	<i>Enhanced psychophysical abilities of the population affect the lower incidence and higher productivity of the working-age population</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	13,000,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Culture and Sport	
BENEFICIARIES	Residents (all age groups), sports institutions	

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.4 Strengthen the social value of culture and sports	

MEASURE	3.4.4 Support for the development of sports infrastructure	
OBJECTIVE OF THE MEASURE	Improving conditions for increasing sports activities of the population and development of sports industry	
PROJECTS AND ACTIVITIES	3.4.4.1 Construction and improvement of sports infrastructure in the SC	
	3.4.4.2 Reconstruction of existing and building new capacities of KJP Centar Skenderija	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Prepare the Study of the reconstruction of football stadiums "Željezničar" and "Asim Ferhatović - Hase" according to the latest standards in order to meet the international standards</i> • <i>Reconstruction of the swimming pool on Veliko Polje</i> • <i>Construction of roof - reconstruction of ice hall with garages KJP Centar Skenderija Ltd.</i> • <i>Recovery of constructive elements of buildings that endanger the safety of life and human health and the removal of objects that cause the collapse of structures of the KJP Centar Skenderija Ltd.</i> • <i>Reconstruction of the hall "Mirza Delibašić" KJP Centar Skenderija Ltd. Sarajevo</i> • <i>Reconstruction, recovery and redesign of halls D1, D2 and D3 KJP Centar Skenderija Ltd. Sarajevo</i> • <i>Facades of the complex "Skenderija"</i> • <i>Construction of sports and recreational centre Banovac - City stadium Ilijaš</i> • <i>Expansion of sports hall in Secondary School Centre Ilijaš</i> • <i>Program of construction and reconstruction of sports grounds in settlements according to adopted plans</i> • <i>Construction and arrangement of sports halls, playgrounds and terrains in primary and secondary schools</i> • <i>Landscaping of rest & recreation space of Hum Forest Park</i> • <i>Construction of cableway on slopes of the hill Hum</i> • <i>Construction of ski slope at the slopes of Hum hill and winter sports promotion</i> • <i>Horticultural landscaping of the Hum Forest Park</i> • <i>Construction of a trim track and a belvedere with a view of the city (Hum Forest Park)</i> • <i>Construction of Holistic Centre</i> • <i>Sports hall on Bjelašnica</i> • <i>Reconstruction of sports grounds on Igman</i> 	<ul style="list-style-type: none"> • <i>Completed study of reconstruction of stadiums "Željezničar" and "Asim Ferhatović - Hase"</i> • <i>Reconstruction of the swimming pool on Veliko Polje</i> • <i>Financially sustainable business of KJP Centar Skenderija</i> • <i>New sports facilities and recreational centres built</i>

DEVELOPMENT EFFECT	<i>Increased number of participants in sports, recreation and sports events as well as sports revenues</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	262,500,000 KM credit funds of the Sarajevo Canton or credit facilities of the companies with the guarantee of the Sarajevo Canton or PPP, funds of the company with the guarantee of the Sarajevo Canton
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Culture and Sport, Municipalities
BENEFICIARIES	Residents, tourists, sports associations

STRATEGIC OBJECTIVE	3 To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services	
PRIORITY OBJECTIVE	3.4 Strengthen the social value of culture	
MEASURE	3.4.5 Protection of cultural and historical heritage	
OBJECTIVE OF THE MEASURE	Preserve the uniqueness of the cultural space and its history as the development potential of the SC	
PROJECTS AND ACTIVITIES	3.4.5.1 Improve the protection of cultural and historical heritage	
	3.4.5.2 Improve preservation of the achievements of the defence-liberation war 92-95	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Recovery of Vraca Memorial Park</i> • <i>Construction of the Central Memorial for all the killed defendants of the seized Sarajevo</i> • <i>Recovery and commissioning of D-B tunnel (or memorial complex)</i> • <i>Remediation of the Igman Way of Salvation</i> • <i>Marking the points of the siege and defence of Sarajevo</i> • <i>Marking of places of large suffering in Sarajevo</i> • <i>Building the Memorial Centre "Žuč"</i> • <i>Restoration and refurbishment of the restaurant "KonTiki" ("Kod Sonje") into memorial to the citizens of Bosnia and Herzegovina, which would remind of the events of 1992-1995</i> • <i>Restoration and completion of recovery of the memorial - "Sarajevo's siege and defence museum 1992-1995", which would remind of events in the organization of resistance and further for the 1992-1995</i> • <i>Building of the Memorial Centre Kovači</i> • <i>Making and installation of tombstones and monuments for shahids and killed soldiers and deceased war veterans of the BiH Army</i> 	<ul style="list-style-type: none"> • <i>Recovered objects of cultural and historical heritage</i> • <i>New buildings constructed</i> • <i>Marked places from war period</i> • <i>Revitalization of the Bijela Tabija (White Fortress) complex</i>

DEVELOPMENT EFFECT	<i>Well-preserved cultural heritage represents a unique developmental potential for tourism development and contributes to economic development through increased visits to the SC</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	9,820,000 KM Budget of the SC, transfers from other levels of government
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry for War Veterans' Affairs, Ministry of Culture and Sports, Memorial Fund
BENEFICIARIES	Residents, tourists, war veteran associations

1.4 Strategic objective 4

Strategic objective 4: To manage the environment, space, natural and infrastructural resources in a responsible manner

Table 28. Strategic objective 4 Synthesizing overview of priority objectives, measures and projects

	Priority objective		Measure		Projects
4.1	Providing and improving a sustainable natural resource management system and rational use of space	4.1.1	Natural resources management system (biodiversity and mineral raw materials)	4.1.1.1.	Inventory and fabrication of GIS database of diversity of plants, animals and fungi with habitats, including inventory of invasive species
				4.1.1.2.	Estimation of the degree of endangerment of species and habitats in accordance with IUCN (making red list for the SC area) and monitoring and control of invasive species
				4.1.1.3.	Creation of research program and geological research of manganese, lead and zinc, clay, dolomite, limestone and other non-metallic mineral raw materials
		4.1.2	Integral water resource management	4.1.2.1	System protection of drinking water source Sarajevsko polje
				4.1.2.2	Annual plan and program for co-financing, construction and maintenance of water facilities and activities related to water management activities according to the Law on Waters
				4.1.2.3	Flood defence program
		4.1.3	Integral protection and preservation of forest ecosystem stability	4.1.3.1	Integral protection of forest ecosystems from harmful impacts of fire
				4.1.3.2	Implementation of measures and activities from Operational Plans, Maintenance Plans and Monitoring
				4.1.3.3	Construction, reconstruction, rehabilitation and maintenance of forest infrastructure
				4.1.3.4	Preservation of stability and improvement of forest ecosystem
4.2	Improving the quality of environmental components and establishing integral waste management system	4.2.1	Improvement of soil quality	4.2.1.1	Determine the degree and level of contamination of land in the SC
				4.2.1.2	Demining of forest and agricultural areas and development of program for rehabilitation and conversion into agricultural land
				4.2.1.3	Prevention, rehabilitation and monitoring of landslides

	Priority objective		Measure		Projects
		4.2.2	Improvement of air quality and noise protection	4.2.2.1	Implementation of the measures/project from the Action Plan for the reduction of airborne particulates in the SC area
				4.2.2.2	Conversion of existing and procurement of new buses and vehicles powered by compressed natural gas (CNG) in public and private companies in the SC
				4.2.2.3	Creation of initial/strategic noise map
		4.2.3	Utility waste management system	4.2.3.1	Implementation of the Waste Management Plan of the Canton
				4.2.3.2	Bring the state of municipal waste landfill to the sanitary level
				4.2.3.3	Public Investment Program Projects
		4.2.4	Disposal system for special waste categories	4.2.4.1	Establish capacities for the disposal of construction waste
				4.2.4.2.	Preparation of project documentation for the asbestos waste cassette
4.3	Increasing energy efficiency and encouraging the use of renewable energy sources	4.3.1	Energy efficiency of public buildings	4.3.1.1	Realization of the project "Green energy for the green city"
				4.3.1.2	Support to projects for heating of public objects in the SC
				4.3.1.3	Project for the introduction of more energy efficient public lighting
				4.3.1.4	Conversion of boiler rooms
		4.3.2	Encouraging the use of renewable energy sources	4.3.2.1	Drafting the Study "Potential Resources for Generation and Supply of Sarajevo Canton with Heat and Electricity"
				4.3.2.2	Production of Flowchart and realization of tasks/activities and previous issues necessary for realization of sustainable energy solutions/projects and activities according to the flowchart
				4.3.2.3	Planning and preparatory actions for concession award in accordance with the Concession Law, on certain concession objects depending on the Study's output, resolved preliminary questions and interests of the SC
				4.3.2.4	Planning and preparation of PPP projects in accordance with the Law on Public Private Partnership, related to certain PPP projects depending on the Study's output, resolved previous issues and interests of the SC
4.4	Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	4.4.1	Road construction and reconstruction and automatic traffic management	4.4.1.1	Reconstruction, construction and maintenance of roads
				4.4.1.2	Construction and reconstruction of underpasses, overpasses, intersections
				4.4.1.3	Construction and reconstruction of roads under Public investment program
				4.4.1.4	Main road Goražde-Hrenovica-Sarajevo
				4.4.1.5	Rehabilitation and optimization of public transport
				4.4.1.6	Improvement of pedestrian and bicycle traffic
				4.4.1.7	Improvement of traffic at idle
		4.4.2		4.4.2.1	Reconstruction and construction of water infrastructure

	Priority objective		Measure		Projects
			Water supply management system and infrastructure	4.4.2.2	Support to projects for reconstruction and construction of water infrastructure within the competence of municipalities
				4.4.2.3	Optimization and modernization of water management system
		4.4.3	Wastewater collection and treatment system	4.4.3.1	Maintenance and management of the main wastewater treatment plant "Butila"
				4.4.3.2	Construction of new and reconstruction of primary sewers with insufficient capacity, in close proximity or passing through water protection zones and directly affecting the functioning of wastewater treatment plants (in Hadžići, Hrasnica, Rajlovac, Left bank sewer, etc.)
				4.4.3.3	Construction of a primary sewer with a cleaner for the area of municipalities of Ilijaš, Vogošća, Breza
				4.4.3.4	Construction of a primary sewer for new settlement "Nova Ilidža" with the assumption of need and new facility
				4.4.3.5	Construction of a plant for primary treatment of wastewater from the cow farm "Butmir"
				4.4.3.6	Construction and reconstruction of sewerage infrastructure with the aim of separating the system (more efficient operation of the plant and cleaner waterways)
				4.4.3.7	Disinfection station
				4.4.3.8	Implementation of the project "Clean River Miljacka" (Priority Bistrik Basin)
		4.4.4	Energy infrastructure - heating	4.4.4.1	Reconstruction and extension of distribution network and replacement of boilers, pump systems - heating
				4.4.4.2	Construction of boiler rooms and plants in the SC
		4.4.5	Energy infrastructure - gasification	4.4.5.1	Reconstruction and development of gas distribution network
				4.4.5.2	Construction of infrastructure for compressed natural gas (CNG)
				4.4.5.3	Promotion, subsidy, support - use of natural gas in households and industry and as propulsion fuel
		4.4.6	Other communal infrastructure	4.4.6.1	Burial - Improvement of cemetery management and capacity increase
				4.4.6.2	Resolving the problem of stray dogs
				4.4.6.3	Project for improvement of public hygiene of public transport areas in the SC

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.1 Providing and improving a sustainable natural resource management system and rational use of space
MEASURE	4.1.1 Natural resources management system (biodiversity and mineral raw materials)
OBJECTIVE OF THE MEASURE	Increasing the degree of protection of natural resources Increase in rational exploitation of natural resources

	Introduction of new methods of natural resource management	
PROJECTS AND ACTIVITIES	4.1.1.1 Inventory and fabrication of GIS database of diversity of plants, animals and fungi with habitats, including inventory of invasive species	
	4.1.1.2 Estimation of the degree of endangerment of species and habitats in accordance with IUCN (making red list for the SC area) and monitoring and control of invasive species	
	4.1.1.3 Creation of research program and geological research of manganese, lead and zinc, clay, dolomite, limestone and other non-metallic mineral raw materials	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of recorded species (plants, animals, mushrooms)</i> • <i>Number of invasive species</i> • <i>Number of species by categories of the Red List</i> • <i>Number (intensity) of preparatory actions for granting concessions</i> 	<ul style="list-style-type: none"> • <i>Created Gis Database and Red List</i> • <i>Conducted geological research of manganese, lead and zinc, clay, dolomite, limestone and other non-metallic mineral raw materials</i> • <i>Created Flowchart of activities and realization of tasks/activities and previous issues required for realization of sustainable projects of use of mineral raw materials depending on geological research results</i> • <i>Conducted planning and preparatory actions for concession award in accordance with the Concession Law, on certain concession objects depending on results of geological research and resolved preliminary questions and interests of the SC</i>
DEVELOPMENT EFFECT	<i>Contribution to rational use of space and regulated use of natural resources Improving the quality of exploitation of energy potentials</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	2,150,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2018-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Economy, Institute for the Protection of Cultural, Historical and Natural Heritage	
BENEFICIARIES	Canton, Municipalities	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.1 Providing and improving a sustainable natural resource management system and rational use of space
MEASURE	4.1.2 Integral water resource management
OBJECTIVE OF THE MEASURE	Reducing the number of illegal connections to a water and sewage network; Improvement of soil, surface and ground water quality surface water and ground water);
PROJECTS AND ACTIVITIES	4.1.2.1 System protection of drinking water source Sarajevsko polje
	4.1.2.2 Annual plan and program for co-financing, construction and maintenance of water facilities and activities related to water management activities according to the Law on Waters
	4.1.2.3 Flood defence program

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • Number of registered septic tanks • Number of soil samples • Soil quality (mg/kg) • Number of implemented projects • Scope and types of observation facilities and equipment (thermal and thermo mineral waters) • Length of regulated sections (watercourses) 	Expected results <ul style="list-style-type: none"> • Designed and implemented project and technical documentation for the collection and disposal of sewage (faecal and precipitation) from residential and hospitality facilities in II and III protection zone, currently using septic tanks • Designed and implemented project and technical documentation for the collection and disposal of sewage (faecal and precipitation) from buildings in Velika Aleja and Secondary School of Forestry • Designed and implemented program of soil quality testing in II and III protection zone of Bačevo source and proposed measures • Created program to define the scope and type of observation facilities and equipment, type and methodologies of exploratory works for defining the relation of cold and thermal and thermo mineral waters • Implemented projects according to the Cantonal Flood Defence Operational Plan
DEVELOPMENT EFFECT	<i>Provided long-term drinking water quality Improvement of the state of the environment through adequate management of wastewater drainage Reduced flood damage</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	60,000,000 KM Environmental Protection Fund, World Bank Loan, IPA, loans, Budget of the SC and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy, Ministry of Communal Industry and Infrastructure, Ministry of Physical Planning, Construction and Environmental Protection, ViK, municipalities	
BENEFICIARIES	Canton and Municipalities of the SC, ViK, population	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.1 Providing and improving a sustainable natural resource management system and rational use of space
MEASURE	4.1.3 Integral protection and preservation of forest ecosystem stability
OBJECTIVE OF THE MEASURE	Improvement of forest ecosystem status Reduction of coverage of damaged forest areas Establishment of adequate monitoring
PROJECTS AND ACTIVITIES	4.1.3.1 Integral protection of forest ecosystems from harmful impacts of fire 4.1.3.2 Implementation of measures and activities from Operational Plans, Maintenance Plans and Monitoring

	4.1.3.3 Construction, reconstruction, rehabilitation and maintenance of forest infrastructure	
	4.1.3.4 Preservation of stability and improvement of forest ecosystem	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Length of forest truck roads Length of reconstructed, repaired and maintained forest infrastructure networks Forested area (km²) Recovered area (km²) 	<ul style="list-style-type: none"> Created Categorization and repositioning of the Sarajevo Canton according to the degree of threat of forest fire Rehabilitation of fired surfaces and surfaces caused by the appearance of harmful insects or plant diseases Drafting and implementation of the Operational Plan for the Protection of Forests from Illegal Activities in the Sarajevo Canton Monitoring of plant diseases and pests Created and implemented Operational plan for the implementation of forest grow works in the Sarajevo Canton Prepared projects for preparation of land for reforestation, reforestation, cleaning, excavation and filling of newly-grown cultures, application of crop spacing and nursery production Prepared analysis of the current openness of forest complexes and their state by individual forestry management areas Forestry plans for the primary and secondary forest communication networks - within the framework of the Execution Designs Generated main projects by individual areas (departments/units of economy) Regular reconstruction, rehabilitation and maintenance of the forest infrastructure network Increasing green areas by forestation
DEVELOPMENT EFFECT	Air quality improvement	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	10,000,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC - Forestry Directorate, CPC "Sarajevo-šume"	
BENEFICIARIES	Canton, Municipalities, CPC "Sarajevo-šume"	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.2 Improving the quality of environmental components and establishing integral waste management system

MEASURE	4.2.1 Improvement of soil quality	
OBJECTIVE OF THE MEASURE	Relieving of pressures on environment and quality of life of the SC residents by removing hazardous waste from households and removing mines Reduction of the number of existing and preventing new landslides	
PROJECTS AND ACTIVITIES	4.2.1.1 Determine the degree and level of contamination of land in the SC	
	4.2.1.2 Demining of forest and agricultural areas and development of program for rehabilitation and conversion into agricultural land	
	4.2.1.3 Prevention, rehabilitation and monitoring of landslides	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of soil samples</i> • <i>Pollutant concentration level</i> • <i>Contaminated area (km²)</i> • <i>Demined forests and agricultural areas (ha)</i> • <i>Forested areas affected by slides - (ha)</i> • <i>Recovered areas of landslides (ha)</i> 	<ul style="list-style-type: none"> • <i>Drafted Land Contamination Study</i> • <i>Completed Rehabilitation Program for Conversion into Agricultural Land</i> • <i>Created Landslide Prevention Plan</i> • <i>Completed forestation of area affected by landslides</i> • <i>Demined surfaces</i>
DEVELOPMENT EFFECT	<i>Contribution to the prevention of harmful impacts of black spots on water sources and the quality of water and soil Soil rehabilitation (agricultural, forestry land and landslides)</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,500,000 KM Budget of the SC and other funds	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Cantonal Civil Protection Administration, Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Economy of the SC	
BENEFICIARIES	Canton, Municipalities, population	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.2 Improving the quality of environmental components and establishing integral waste management system	
MEASURE	4.2.2 Improvement of air quality and noise protection	
OBJECTIVE OF THE MEASURE	Improvement of recording and monitoring of air quality and noise level	
PROJECTS AND ACTIVITIES	4.2.2.1 Implementation of the measures/project from the Action Plan for the reduction of airborne particulates in the SC area	
	4.2.2.2 Conversion of existing and procurement of new buses and vehicles powered by compressed natural gas (CNG) in public and private companies in the SC	
	4.2.2.3 Creation of initial/strategic noise map	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • <i>Number of calibrations and station services performed</i> • <i>Number of dust and soot analysis performed</i> • <i>Noise level</i> • <i>Number of vehicles on CNG</i> 	<ul style="list-style-type: none"> • <i>Introduced air quality measurement system according to BAS ISO 17025</i> • <i>Calibration performed by accredited laboratories and regular servicing of stations</i> • <i>Dust and soot analysis on heavy metals and organic pollutants</i> • <i>Prepared Study on Centralization of heating system through "block" boiler rooms in the residential sector of individual construction</i> • <i>Created initial/strategic noise map</i>
DEVELOPMENT EFFECT	<i>Air quality improvement</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	6,000,000 KM Budget of the SC and other funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Physical Planning, Construction and Environmental Protection, Ministry of Communal Industry and Infrastructure, Public Health Institute of the SC	
BENEFICIARIES	GRAS, CPUC and PUC from the SC area, Municipalities, population	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.2 Improving the quality of environmental components and establishing integral waste management system	
MEASURE	4.2.3 Utility waste management system	
OBJECTIVE OF THE MEASURE	Improvement of the municipal waste management system	
PROJECTS AND ACTIVITIES	4.2.3.1 Implementation of the Waste Management Plan of the Canton	
	4.2.3.2 Bring the state of municipal waste landfill to the sanitary level	
	4.2.3.3 Public Investment Program Projects	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Quantity of selectively collected waste</i> • <i>Quantity of waste disposed of (kg/year)</i> • <i>Number of recovered wild landfills</i> • <i>Quantity of collected and cleaned leachate from Smiljevići landfill</i> 	<ul style="list-style-type: none"> • <i>Built-up greenery and recyclable yards (for bulky waste, textiles, tires, EE waste, accumulators, oils and greases)</i> • <i>Created Feasibility Study for establishing RCUO as a new independent institution within the system and thus institutionally separating the collection/transport of waste from depositing</i> • <i>Created Feasibility Study for the selection of waste treatment technology, including justification for construction of mechanical-biological waste treatment plant MBO</i> • <i>Created Project Documentation for the construction of the surface on the sanitary landfill for disposal of unused municipal waste</i> • <i>Completed expropriation for the construction of the surface on the</i>

		<p>sanitary landfill for disposal of unused municipal waste</p> <ul style="list-style-type: none"> • Built compost plant and purchased crushers for crushing green waste from public surfaces for composting in a traditional way • Conducted analysis of the condition/efficiency of the leachate treatment system from the waste disposal site "Smiljevići" and established function • Prepared Project of establishing integrated waste management through the system • Prepared Project of improvement of municipal waste management in the Canton • Supply and distribution of containers for separate collection of PET packaging and paper in settlements with individual housing of capacity 120 l • Supply of two purpose vehicles for collecting PET packaging and paper in settlements with individual housing • Purchase of two additional special vehicles for emptying bells or containers for separate collection of waste • Purchase of two special vehicles for emptying of underground waste containers
DEVELOPMENT EFFECT	<p>Decrease of quantities of waste disposal Increase of recycling level Increase of capacity for adequate waste disposal Opportunities for introduction of circular economy and new business opportunities</p>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	<p>26,950,000 KM Budget of the SC and other sources</p>	
MEASUREMENT IMPLEMENTATION PERIOD	<p>2016-2018</p>	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	<p>Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Communal Industry and Infrastructure, CPUC "RAD", municipalities</p>	
BENEFICIARIES	<p>Canton, municipalities, CPUC "RAD", population</p>	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.2 Improving the quality of environmental components and establishing integral waste management system
MEASURE	4.2.4 Special waste disposal system
OBJECTIVE OF THE MEASURE	Improvement of the special waste management system (capacity increase and system establishment)
PROJECTS AND ACTIVITIES	4.2.4.1 Establish capacities for the disposal of construction waste

	4.2.4.2 Preparation of project documentation for the asbestos waste cassette	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Quantity of special waste disposed of (kg/year) Number, kind and capacity of purchased equipment (recycling plant, crusher, etc.) 	<ul style="list-style-type: none"> Built the construction waste dump and construction waste recycling plant Purchased mobile crusher with lower capacity for inert waste Provided space on the landfill and prepared project documentation for asbestos waste cassette Establish construction waste landfill, Phase I: land expropriation for building of construction waste landfill Phase II: build a construction waste landfill Establish capacity for exploitation of construction waste, Phase I: construction waste recycling plant, Phase II: purchase a mobile inert waste crusher of smaller capacity
DEVELOPMENT EFFECT	Reduced pressure on the environment - Increased quantity of properly disposed waste Employment growth	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,050,000 KM Budget of the SC and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Industry and Infrastructure, Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Economy	
BENEFICIARIES	Canton, CPUC "RAD", businessmen, population	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.3 Increasing energy efficiency and encouraging the use of renewable energy sources	
MEASURE	4.3.1 Energy efficiency of public buildings	
OBJECTIVE OF THE MEASURE	Reducing of harmful emissions Recovering of heat losses Increasing the level of energy efficiency	
PROJECTS AND ACTIVITIES	4.3.1.1 Realization of the project "Green energy for the green city"	
	4.3.1.2 Support to projects for heating of public objects in the SC	
	4.3.1.3 Project for the introduction of more energy efficient public lighting	
	4.3.1.4 Conversion of boiler rooms	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Number of heated objects Number of public sector buildings that established an Energy Efficiency Monitoring System (EMIS) Number of installed energy efficient lighting fixtures Earned savings (resources and consumption) 	<ul style="list-style-type: none"> Created Study of Energy Efficiency and Potential for Increasing Energy Efficiency of Public Buildings Created and implemented energy efficiency plan Introduced EMIS system in public facilities Prepared Project for the introduction of more energy efficient public lighting

	<ul style="list-style-type: none"> • Number of schools and other facilities in the Sarajevo Canton where boiler conversion was performed 	<ul style="list-style-type: none"> • Prepared Study on Cost Effectiveness and Energy Efficiency of Conversion of Boiler in Buildings in Densely Populated Urban Areas of the Sarajevo Canton • Heated buildings • Secondary School for Environment Protection and Wood Design (Increasing Energy Efficiency of the School) • Secondary School for Environment Protection and Wood Design (Electricity production by installing solar panels on the roof of the School) • PI Secondary School for Traffic and Communications (Heating of Physical and Health Education Hall) • PI Secondary School for Traffic and Communications (Heating of Workshop for Practical Teaching) • Treća gimnazija (High-School): Energy saving project • Increasing Energy Efficiency PI Secondary School Centre - Nedžad Ibrišimović, Ilijaš
DEVELOPMENT EFFECT	Preventing energy wasting, financial saving and less air pollution	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	10,311,000 KM Budget of the SC, intended funds of the Federal Fund for Environmental Protection, World Bank, EU funds and own funds of Sarajevogas	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Communal Industry and Infrastructure, Ministry of Economy, Ministry of Education, Science and Youth, line Ministries, Municipalities	
BENEFICIARIES	Schools, hospitals, institutions and other budget users in the SC area where there is a possibility of conversion of boilers to natural gas	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
PRIORITY OBJECTIVE	4.3 Increasing energy efficiency and encouraging the use of renewable energy sources
MEASURE	4.3.2 Encouraging the use of renewable energy sources
OBJECTIVE OF THE MEASURE	Creating conditions for increasing the production of energy from renewable sources
PROJECTS AND ACTIVITIES	4.3.2.1 Drafting the Study "Potential Resources for Generation and Supply of Sarajevo Canton with Heat and Electricity"
	4.3.2.2 Production of Flowchart and realization of tasks/activities and previous issues necessary for realization of sustainable energy solutions/projects and activities according to the flowchart
	4.3.2.3 Planning and preparatory actions for concession award in accordance with the Concession Law, on certain concession objects depending on the Study's output, resolved preliminary questions and interests of the SC
	4.3.2.4 Planning and preparation of PPP projects in accordance with the Law on Public Private Partnership, related to certain PPP projects depending on the Study's output, resolved previous issues and interests of the SC

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • <i>Number of potential energy facilities (SHPPs, wind power plants, solar power plants)</i> • <i>Number of concessions</i> 	Expected results <ul style="list-style-type: none"> • <i>Prepared Study with Separates - Hydropower potential - SHPPs; Wind Energy - Wind Power Plants; Solar energy; Geothermal energy; Natural gas based cogeneration; Waste-based energy production; Biofuel generation and biomass based cogeneration; Electricity - Consumption and Supply Forecast for the SC; Supply of the Sarajevo Canton with heat energy and Integration, optimization and energy efficiency</i> • <i>Increased level of electricity production by using renewable energy sources at annual level</i> • <i>Treća gimnazija (High-School): Promoting Energy Efficiency Using Converted Solar Energy to Electricity</i>
DEVELOPMENT EFFECT	<i>Increase in capacity of electricity production from renewable sources</i> <i>New jobs</i> <i>Reduction of greenhouse gas emissions</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,046,500 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Economy of the SC, Ministry for Education, Science and Youth	
BENEFICIARIES	Canton, Municipalities, Businessmen	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.1 Road construction and reconstruction and automatic traffic management	
OBJECTIVE OF THE MEASURE	Improvement of road and traffic condition in the SC	
PROJECTS AND ACTIVITIES	4.4.1.1 Reconstruction, construction and maintenance of roads	
	4.4.1.2 Construction and reconstruction of underpasses, overpasses, intersections	
	4.4.1.3 Construction and reconstruction of roads under Public investment program	
	4.4.1.4 Main road Goražde-Hrenovica-Sarajevo	
	4.4.1.5 Rehabilitation and optimization of public transport	
	4.4.1.6 Improvement of pedestrian and bicycle traffic	
	4.4.1.7 Improvement of traffic at idle	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • <i>Length of built/reconstructed roads (km)</i> • <i>Number of constructed/reconstructed underpasses, overpasses, intersections</i> • <i>Drafted Preliminary and Main project for construction of main road Goražde-Hrenovica-Sarajevo</i> 	Expected results <ul style="list-style-type: none"> • <i>Built Main Motorway, North Longitudinal Road, A Transversal Road, VI Transversal Road, IX Transversal Road, IV Transversal Road, traffic link Pofalići - Velešići, traffic link Pofalići - Kobilja Glava</i>

	<ul style="list-style-type: none"> • <i>Length of recovered and reconstructed tramway (km)</i> • <i>Length of constructed tramway line and contact line for trolley bus lines (km)</i> • <i>Adopted legal framework defining the JGPP (public city passenger transport) in the SC</i> • <i>Adopted legal framework of adequate tariff system</i> • <i>Number of procured trams, buses, trolley buses and minibuses for public transport</i> • <i>Number of vehicles with introduced electronic ticket validation system</i> • <i>Length of built cycling and hiking trails</i> • <i>Number of parking meters in public parking space</i> • <i>Amount of purchased supplies and type and number of equipment for storing vehicles on public areas and public garages</i> 	<ul style="list-style-type: none"> • <i>Constructed road Bjelašnica-Pendičići-Jahorina (section Pendičići-Jahorina)</i> • <i>Reconstructed road Malešići - Podlugovi to the border of Sarajevo Canton and regional road II category Stari Ilijaš - Bioča - Ahatovići</i> • <i>Constructed, reconstructed underpasses, overpasses and intersections</i> • <i>Implemented projects from the Public Investment Program (constructed and reconstructed I Transversal Road - Section II, South Longitudinal Road - Section II, South longitudinal - Section II to IV transversal Road, I Transversal - Section I</i> • <i>Introduced ITS and automatic traffic control</i> • <i>Renovated, reconstructed and modernized tram line from the "S" curve to Ilidža</i> • <i>Construction of a tramway line from the Roundabout in Ilidža towards Hrasnica to the administrative border of Republika Srpska, east of Hrasnica</i> • <i>Constructed contact network for trolley bus traffic on the corridor Centar-Vogošća</i> • <i>Introduces electronic ticket validation system</i> • <i>Provided continuous functioning of modern and self-sustaining public passenger transport system tailored to the real transport needs of citizens of the SC</i> • <i>Increased use of alternative fuels/energy for public transport</i> • <i>Use of vehicles with higher capacity</i> • <i>Built tram stop for controlled billing</i> • <i>Protected rail fence set on tram stops</i> • <i>Traffic study for the purposes of UP development</i> • <i>Asphalting of roads in settlements in the Sarajevo Canton</i> • <i>Procurement of new power supply substations for supply of tram and trolleybus network in the Municipality of Stari Grad</i> • <i>Project of automated control of traffic light system in the Sarajevo Canton</i> • <i>Project of increasing the safety of blind and partially sighted persons in urban traffic</i> • <i>Reconstruction of regional road R-445 in the area of Municipality of Ilijaš</i>
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DEVELOPMENT EFFECT	<i>Contribution to better interconnection within Canton, as well as between the Canton and other areas Ensuring good, safe, more efficient and faster transport Increasing the positive impact on stimulating economic activity and faster development of the SC</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	264,750,000 KM Budget of the SC and other sources
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Traffic, Road Directorate, Ministry of Internal Affairs and Infrastructure, CPUC "Rad", Municipalities
BENEFICIARIES	Canton, Municipalities, population

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.2 Water supply management system and infrastructure	
OBJECTIVE OF THE MEASURE	Strengthening professional/staff capacities Reconstruction and modernization of water supply system Increased transparency of Public Water Management Companies	
PROJECTS AND ACTIVITIES	4.4.2.1 Reconstruction and construction of water management infrastructure <ul style="list-style-type: none"> • Reconstruction of the water supply network according to the same Program • Reconstruction of the power and mechanical facilities and water disinfection system (according to the program "Repair of discharged parts of the water supply system, ViK, 2008" • Provision of additional water supply (add Filter plant Bosna 3) 	
	4.4.2.2 Support to projects for reconstruction and construction of water infrastructure within the competence of municipalities <ul style="list-style-type: none"> • Construction of water supply facilities and network for extension of water supply system according to implementation and planning documents 	
	4.4.2.3 Optimization and modernization of water supply system	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Length of reconstructed water supply network</i> • <i>Water quantity in the system in l/s</i> • <i>Length of constructed distribution pipes</i> 	<ul style="list-style-type: none"> • <i>Reconstructed pump station Alipašin most and push pipeline-PS</i> • <i>Peračko Vrelo source included in the water supply system</i> • <i>Constructed artificial reservoir on the Crna Rijeka and the water park on the River Željeznica as an alternative water catchment model</i> • <i>Implemented projects for the repair of parts of the water supply system</i> • <i>Increased plant safety and reliability of the water supply system</i> • <i>Safety in water supply - decrease of water reduction</i> • <i>Decrease of losses in the water supply network</i>

		<ul style="list-style-type: none"> • <i>Reconstructed and modernized information system</i> • <i>Optimized water supply management system (installation of metering and regulatory equipment, improvement of readings)</i> • <i>Water supply system Vrutak (Ilijaš)</i>
DEVELOPMENT EFFECT	<i>Proper supply of water to all users in the SC area</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	81,500,000 KM Loans, budget funds of interested Municipalities and Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Industry and Infrastructure, CPUC ViK, Municipalities	
BENEFICIARIES	Canton, Municipalities of the SC, population	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.3 Wastewater collection and treatment system	
OBJECTIVE OF THE MEASURE	Improve waste water collection (management and infrastructure)	
PROJECTS AND ACTIVITIES	4.4.3.1 Maintenance and management of the main wastewater treatment plant "Butila"	
	4.4.3.2 Construction of new and reconstruction of primary sewers with insufficient capacity, in close proximity or passing through water protection zones and directly affecting the functioning of wastewater treatment plants (in Hadžići, Hrasnica, Rajlovac, Left bank sewer, etc.)	
	4.4.3.3 Construction of a primary sewer with a cleaner for the area of municipalities of Ilijaš, Vogošća, Breza	
	4.4.3.4 Construction of a primary sewer for new settlement "Nova Ilidža" with the assumption of need and new facility	
	4.4.3.5 Construction of purifier for waste water from cow farm	
	4.4.3.6 Construction and reconstruction of sewerage infrastructure with the aim of separating the system (more efficient operation of the plant and cleaner waterways)	
	4.4.3.7 Disinfection station	
	4.4.3.8 Implementation of the project "Clean River Miljacka" (Priority Bistrik Basin)	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Increase in the quantity of treated wastewater</i> • <i>Length of reconstructed and newly constructed primary sewers</i> • <i>Length of reconstructed and newly constructed sewerage network</i> • <i>Quality watercourses and environment</i> • <i>More stable working of wastewater treatment plants</i> • <i>Improvement of the protection of the water supply network in sanitary and hygienic terms</i> 	<ul style="list-style-type: none"> • <i>Functional work of the main wastewater treatment plant "Butila"</i> • <i>Increased degree of acceptance of existing and potential new quantities of faecal water and safer transport to the plant</i> • <i>Coverage of areas that already have a built water network and sewerage network.</i> • <i>Conducted review of the study for the construction of a primary sewer with a treatment plant for the area of</i>

	<ul style="list-style-type: none"> • <i>Reduction of landslides</i> 	<p><i>Municipalities of Vogošća, Ilijaš and Breza</i></p> <ul style="list-style-type: none"> • <i>Constructed primary sewer with a treatment plant for the area of Municipalities of Vogošća, Ilijaš and Breza</i> • <i>Implemented projects for reconstruction and construction of sewerage infrastructure within the competence of municipalities</i> • <i>Created technical documentation for assessing the current situation of the left-bank sewer of the city of Sarajevo on the move from Otoka to "Visteon"</i> • <i>Conducted analysis and overview of technical solutions for sewerage (built in 2004-2008) in Mošćanica river basin and plan of activities for possible rehabilitation and realization of technical inspection (approx. 40 km long)</i> • <i>Prepared Technical Documentation "Miljacka Clean River" and approx. L = 40 km)</i> • <i>Construction of primary sewerage network with treatment plant in the area of the Crna Rijeka Plateau, Crna Rijeka, Nišići and Bijambare</i> • <i>Separation sewerage network construction</i> • <i>Faecal sewerage system LC Kamenica</i> • <i>Municipality of Stari Grad (construction of faecal sewerage network for part of settlement under Višegradska kapija, construction of sewerage network in Požega street, reconstruction of sewerage and water supply network in Komatin Street, reconstruction of sewerage network in Paje Street, reconstruction of collecting separation sewers Æ 300 and water supply Æ 200 in the Street of Balibegović)</i>
DEVELOPMENT EFFECT	<p><i>Reduced amount of untreated waste water that goes directly into watercourses and infiltrates the surrounding soil</i></p> <p><i>Water quality improvement</i></p> <p><i>Contribution to the protection of the water supply network in sanitary and hygienic terms</i></p> <p><i>Increased population with available municipal sewage service</i></p>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	<p>155,800,000 KM</p> <p>Loans, budgetary funds of interested Municipalities, Budget of the SC, Fund for Environmental Protection</p>	
MEASUREMENT IMPLEMENTATION PERIOD	<p>2016-2020</p>	

COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Industry and Infrastructure, Ministry of Physical Planning, Construction and Environmental Protection, CPUC "ViK", Ministry of Economy + Agency for Water, Municipalities
BENEFICIARIES	Canton, Municipalities of the SC, population

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.4 Energy infrastructure - heating	
OBJECTIVE OF THE MEASURE	Modernization and expansion of district heating in order to reduce air emissions Increase control of energy sources used	
PROJECTS AND ACTIVITIES	4.4.4.1 Reconstruction and extension of distribution network and replacement of boilers, pump systems - heating 4.4.4.2 Construction of boiler rooms and plants in the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators <ul style="list-style-type: none"> • Number of replaced boilers and burners • Number of reconstructed and built-in pumps with frequency control • Length of reconstructed network (heat pipelines and hot steam pipelines) in systems CPUC Toplane-Sarajevo • Pollution emission (at exit from boiler room) • Quantity of heat energy (MW/year) • Quantity of electricity (MW/year) 	Expected results <ul style="list-style-type: none"> • Expanded existing remote control and monitoring system (SCADA system) of the plant CPUC Toplane-Sarajevo • Built-in heat pump in the system CPUC Toplane-Sarajevo • Constructed boiler room with power of approximately 21 MW at the site of the scope of the Regulatory Plan "Alipašin most VII", boiler room power of about 16 MW at the site of the scope of the Regulatory Plan "Alipašin most VII" • Construction of plant powered by wood biomass - chipped wood • Constructed co-generation plant (5 MW of heat power and 5 MW of electricity)
DEVELOPMENT EFFECT	<i>Contribution to reconstruction and construction of a network/boiler rooms in connection of individual fireplaces to a system that can be controlled</i> <i>Contribution to the use of alternative sources of heat energy</i> <i>Reduction of pressures on air quality</i> <i>Reduction of greenhouse gas emissions</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	31,200,000 KM CPUC Toplane-Sarajevo, Budget of the Sarajevo Canton , Fund for Environmental Protection, foreign investors, Public Private Partnerships, credit facilities, property owners/investors	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Economy and Infrastructure of the SC, CPUC Toplane	
BENEFICIARIES	Canton, Municipalities	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner
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PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.5 Energy infrastructure - gasification	
OBJECTIVE OF THE MEASURE	Improvement of the gas network system	
PROJECTS AND ACTIVITIES	4.4.5.1 Reconstruction and development of gas distribution network	
	4.4.5.2 Construction of infrastructure for compressed natural gas (CNG)	
	4.4.5.3 Promotion, subsidy, support - use of natural gas in households and industry and as propulsion fuel	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Length of developed gas distribution network</i> • <i>Length of connected gas distribution network p=0.1(0.2)</i> • <i>Number and type of equipment purchased (for service workshops) for conversion of conventional vehicles to CNG)</i> • <i>Number and type of equipment purchased (stations for technical inspection and registration of CNG vehicles on natural gas)</i> • <i>Number of installed gas-fired appliances for cooling (air - conditioning) on buildings owned by the SC</i> • <i>Number of installed equipment (absorption coolers or compressor coolers - standard performance/heat pump) on buildings owned by the SC and/or attractive buildings in the city centre</i> 	<ul style="list-style-type: none"> • <i>Connected gas ring of pressure p=3(4) bar in the Sarajevo Canton area</i> • <i>Developed gas distribution network in settlements Krivoglavci, Dobroševići, Vlakovo, Miševići</i> • <i>Connected gas distribution networks p=0.1(0.2) in settlements Dobrinja, Pofalići</i> • <i>Reconstructed and developed gas distribution network in settlements Doglodi, Otes, Miševići</i> • <i>Built public filling plant for compressed natural gas (CNG), with capacity of 5,000 m³/h, within the CPUC Sarajevogas</i> • <i>Trained and equipped station for the technical inspection and registration of CNG vehicles on natural gas</i> • <i>Produced technical-economic analysis of suitability of use of energy and appliances (demand management and more efficient use of gas systems based on the use of natural gas for cooling/air conditioning in direct and indirect form), on buildings of institutions owned by the SC</i> • <i>Installed one or more gas coolers (for air conditioning), 50-200 units (absorption cooling units or compressor coolers - standard performance/heat pump) on the institutions owned by the SC (educational institutions, health institutions ...), as well as on attractive buildings in the city centre (business buildings), where the media presentation would come to the fore</i> • <i>Adopted support measures for use in households and industry and as propulsion fuel (air conditioning)</i> • <i>Modified tariff program (summer-air conditioning/winter-heating)</i> • <i>Conducted marketing promotion of the use of gas appliances for cooling (air conditioning), with accent on the target group of architects/planners/designers</i>

		<ul style="list-style-type: none"> • <i>Reconstruction of the cathodic protection system</i> • <i>Replacement of the gas flow meter (Phase II)</i> • <i>Replacement of valves on the gas system of the Sarajevo Canton</i>
DEVELOPMENT EFFECT	<i>Decrease of harmful emissions</i> <i>Increase of gas use for heating/cooling</i> <i>Increase in efficiency of gas systems</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	11,150,000 KM Budget of the SC and own funds of Sarajevogas	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Economy and Infrastructure of the SC	
BENEFICIARIES	Citizens and business entities from the SC area	

STRATEGIC OBJECTIVE	4 To manage the environment, space, natural and infrastructural resources in a responsible manner	
PRIORITY OBJECTIVE	4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton	
MEASURE	4.4.6 Other communal infrastructure	
OBJECTIVE OF THE MEASURE	Improvement of working of communal burial services Improvement of public traffic areas arrangement Improvement of adequate solving of stray dogs issue	
PROJECTS AND ACTIVITIES	4.4.6.1 Burial - improvement of cemetery management and capacity increase	
	4.4.6.2 Resolving the problem of stray dogs	
	4.4.6.3 Project for improvement of public hygiene of public transport areas in the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Number of new places for graves and parking places</i> • <i>Number and type of special funeral vehicles and equipment purchased</i> • <i>Arranged surfaces of cemeteries (m²)</i> • <i>Number of microchipped and sterilized dogs</i> • <i>Surface of arranged public transport areas (m²)</i> 	<ul style="list-style-type: none"> • <i>Established GIS cemeteries management system</i> • <i>Built-up central morgue-pathology department for the needs of the SC with the Office for Tombs and counter hall at the cemetery Bare and administrative buildings</i> • <i>Creation of feasibility study for cremation facility with the possibility of treatment and disposal of pathohistological waste</i> • <i>Raised level of arrangement of cemeteries managed by CPUC „Pokop“ Ltd. Sarajevo</i> • <i>Increased capacity for burial/funeral at "Vlakovo" cemetery - expansion of "Vlakovo" cemetery</i> • <i>Increased capacity for burial/funeral at "Vlakovo" cemetery - expansion of chapels</i>

		<ul style="list-style-type: none"> • Increased capacity for burial/funeral at "Vlakovo" cemetery - expansion of parking area • New cemetery Dolac constructed • Microchipped and sterilized stray dogs • Built shelter for abandoned dogs and cats for multiple purposes • Construction of primary infrastructure for the area of cemetery "Kopišanj" Hadžići
DEVELOPMENT EFFECT	<i>Improvement of state of public space and population safety Providing the necessary places for graves</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	27,910,000 KM Budget of the SC, own resources of CPUC Pokop, external sources	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Communal Economy and Infrastructure	
BENEFICIARIES	Canton, Municipalities, population	

1.5 Strategic objective 5

Strategic objective 5: To improve the development management system of the Sarajevo Canton

Table 29. Strategic objective 5 Synthesizing overview of priority objectives, measures and projects

	Priority objective		Measures		Projects
5.1	Consolidating and increasing the long-term sustainability of public finances and strengthening the development capacity of public finances (budgets and public funds)	5.1.1	Consolidation and increase of long-term sustainability of public finances (budget and public funds)	5.1.1.1	Establishment of sustainable debt management system at Sarajevo Canton level
				5.1.1.2	Restructuring the structure of public finance expenditures, including funds
		5.1.2	Increasing the efficiency of space management (land policy instruments) and cantonal assets	5.1.2.1	Introduction of fees for use of urban construction land
				5.1.2.2	Introduction of PPP mechanisms and models to increase public investment volume
5.2	Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration	5.2.1	Administration capacity development	5.2.1.1	Territorial organization of the Sarajevo Canton and the City of Sarajevo
				5.2.1.2	Reform of administration in the field of issuing, recording and creating a unique database of public documents
				5.2.1.3	Development of capacities in the Sarajevo Canton for effective public investment management
				5.2.1.4	Development of e-administration in the Sarajevo Canton
		5.2.2	Enhance legal and strategic framework and strengthen institutional capacities and public awareness in the field of	5.2.2.1	Adopt new and harmonize existing legislation
				5.2.2.2	Adopt new and harmonize existing strategic documents and plans
				5.2.2.3	Improvement of organizational structure and staff capacities of cantonal institutions of environmental and nature protection and municipalities of the SC

	Priority objective		Measures		Projects
			environmental protection	5.2.2.4	Education and promotion on the importance of environmental and nature conservation
		5.2.3	The SC development indicators monitoring system (comparable to EU and world)	5.2.3.1	Establish monitoring and all key indicators at the level of municipalities, City and Canton important for monitoring development as compulsory in regular statistical publications of the Federal Statistical Office and Agency for Statistics
				5.2.3.2	Develop a Special Research Program of relevance for the Sarajevo Canton (for purposes of physical planning, urban planning, monitoring, strategic planning evaluation)
				5.2.3.3	Enable availability (free of charge) of all company business data at FIA for public interest
		5.2.4	Modernization of infrastructure for governance and administrative operations	5.2.4.1	Development and implementation of the Medium Term Investment Plan for Modernization of Business Premises and Equipment of Administration, Police and Judiciary
5.3	Strengthen citizens' participation in development management of the SC	5.3.1	Improvement of civil dialogue and capacity building of civil society	5.3.1.1	Developing a strategy of cooperation between the public and civil sector (including goals and key mechanisms) in the area of development management in the SC
				5.3.1.2	Establishing a framework for the efficient functioning of the civil society sector as a development partner
				5.3.1.3	Establishing mechanisms for active diaspora participation in development of the SC
5.4	Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law	5.4.1	Improving citizens' safety	5.4.1.1	Establishing an efficient security system with a view to reducing the risk and protecting the institutions and the population from threats to security
				5.4.1.2	Redefining the legal and organizational framework for the management of common parts of collective buildings with floor owners
				5.4.1.3	Suppression of juvenile delinquency
				5.4.1.4	Adopting legal and institutional framework (laws and bylaws) and programs aimed at combating corruption and crime
		5.4.2	Reduce volume of gray economy	5.4.2.1	Amendments to legal provisions aimed at reducing the level of tax and social burdens of economy based on the labour
				5.4.2.2	Amendments to the Law on Mediation in Employment and Rights during Unemployment
				5.4.2.3	Create a Study on the introduction of a lump sum for certain service activities and introduction of a lump sum according to the results of the study
				5.4.2.4	Establishment of the Cantonal Coordination Body for Fighting the "gray economy" in the area of the SC
				5.4.2.5	Development of an active policy/program for reducing the gray economy in the SC

	Priority objective		Measures		Projects
				5.4.2.6	Strengthening the capacity of the competent inspection and co-operation with police officers for the work of inspectors on the ground
		5.4.3	Protection and rescue system	5.4.3.1	Improve the functioning of civil protection
				5.4.3.2	Strengthening capacities of civil protection
				5.4.3.3	Education on disaster risk reduction
5.5	Positioning the SC in the wider region and Europe	5.5.1	Creating and managing the SC brand	5.5.1.1	Drafting the SC Branding Strategy - Model of the SC Brand Designing
				5.5.1.2	Establishment of an institutional brand management mechanism
				5.5.1.3	Promotion of the SC Brand

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton				
PRIORITY OBJECTIVE	5.1 Consolidating and increasing the long-term sustainability of public finances and strengthening the development capacity of public finances (budgets and public funds)				
MEASURE	5.1.1 Consolidation and increase of long-term sustainability of public finances (budget and public funds)				
OBJECTIVE OF THE MEASURE	Long-term sustainability of public finances				
PROJECTS AND ACTIVITIES	5.1.1.1 Establishment of sustainable debt management system at Sarajevo Canton level				
	5.1.1.2 Restructuring the structure of public finance expenditures, including funds				
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<table border="1"> <thead> <tr> <th>Output/direct indicators</th> <th>Expected results</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Established protocol of exchange of electronic documents and data between the budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Established mechanisms for quality and timely planning, monitoring and reporting of debt status in the Sarajevo Canton and the SC Municipalities (software upgrade of existing database - DTS, employee training) Established IT application in the Ministry of Finance of the SC for better planning, execution, reporting, control of budget and budget funds, payment and exchange of electronic documents and data between budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Adopted plan of building institutional and human capacities for administrative bodies responsible for control and collection of revenues </td> <td> <ul style="list-style-type: none"> Reduced administration costs Increased volume of public funds for investments and incentives for the economy - development character of the budget Increased participation of tax revenues in the budget structure Strengthened development capacity of public finances Efficient planning and reporting, use of data in budget revenues and expenditures for public finance management </td> </tr> </tbody> </table>	Output/direct indicators	Expected results	<ul style="list-style-type: none"> Established protocol of exchange of electronic documents and data between the budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Established mechanisms for quality and timely planning, monitoring and reporting of debt status in the Sarajevo Canton and the SC Municipalities (software upgrade of existing database - DTS, employee training) Established IT application in the Ministry of Finance of the SC for better planning, execution, reporting, control of budget and budget funds, payment and exchange of electronic documents and data between budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Adopted plan of building institutional and human capacities for administrative bodies responsible for control and collection of revenues 	<ul style="list-style-type: none"> Reduced administration costs Increased volume of public funds for investments and incentives for the economy - development character of the budget Increased participation of tax revenues in the budget structure Strengthened development capacity of public finances Efficient planning and reporting, use of data in budget revenues and expenditures for public finance management
Output/direct indicators	Expected results				
<ul style="list-style-type: none"> Established protocol of exchange of electronic documents and data between the budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Established mechanisms for quality and timely planning, monitoring and reporting of debt status in the Sarajevo Canton and the SC Municipalities (software upgrade of existing database - DTS, employee training) Established IT application in the Ministry of Finance of the SC for better planning, execution, reporting, control of budget and budget funds, payment and exchange of electronic documents and data between budget users of the Sarajevo Canton and the Sarajevo Canton Ministry of Finance Adopted plan of building institutional and human capacities for administrative bodies responsible for control and collection of revenues 	<ul style="list-style-type: none"> Reduced administration costs Increased volume of public funds for investments and incentives for the economy - development character of the budget Increased participation of tax revenues in the budget structure Strengthened development capacity of public finances Efficient planning and reporting, use of data in budget revenues and expenditures for public finance management 				
DEVELOPMENT EFFECT	Macroeconomic stability and accelerated economic growth Increased share of public funds for public investments and incentives for the economy				
PROVISIONAL FINANCIAL ASSETS AND SOURCES	500,000 KM EU funds, USAID, IFC, other international corporations, participation from the SC budget (approx. 15%)				

MEASUREMENT IMPLEMENTATION PERIOD	2016-2018
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Finance, Institute for Informatics and Statistics of the SC
BENEFICIARIES	The Sarajevo Canton, Ministries, Municipalities

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.1 Consolidating and increasing the long-term sustainability of public finances and strengthening the development capacity of public finances (budgets and public funds)	
MEASURE	5.1.2 Increasing the efficiency of space management (land policy instruments) and cantonal assets	
OBJECTIVE OF THE MEASURE	Use urban building space as a resource and increase financial resources for financing development	
PROJECTS AND ACTIVITIES	5.1.2.1 Introduction of fees for use of urban construction land	
	5.1.2.2 Introduction of PPP mechanisms and models to increase public investment volume	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Made detailed classification of assets of the Sarajevo Canton</i> • <i>Created Feasibility Study for the application of some PPP models in different public administration and public services sectors</i> • <i>Adopted legal framework for introducing PPP model</i> • <i>Adopted Investment Implementation Plan by PPP Model</i> • <i>Established Unit for Attracting Investments by PPP Model</i> 	<ul style="list-style-type: none"> • <i>Increased revenues for development financing</i> • <i>Introduced new models of development investment</i> • <i>Established infrastructure for application of new models</i>
DEVELOPMENT EFFECT	<i>Increase in public investment will improve social and economic development, improve social infrastructure and competitiveness of the economy of the SC</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	150,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2019	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Development Planning Institute of the SC, Ministry of Physical Planning, Construction and Environmental Protection, Ministry of Justice and Administration	
BENEFICIARIES	Society as a whole	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.2 Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration	
MEASURE	5.2.1 Administration capacity development	
OBJECTIVE OF THE MEASURE	Define competencies and strengthen coordination of development policies of municipalities, City and the SC. Efficient administration oriented to user (citizen, investor).	

	Improve the administration capacity in the SC in managing the public investment process and design and implementation of an integrated budget planning system, and functional linking of the strategy and process of preparation of the Public Investment Program	
PROJECTS AND ACTIVITIES	5.2.1.1 Territorial organization of the Sarajevo Canton and the City of Sarajevo	
	5.2.1.2 Reform of administration in the field of issuing, recording and creating a unique database of public documents	
	5.2.1.3 Development of capacities in the Sarajevo Canton for effective public investment management	
	5.2.1.4 Development of e-administration in the Sarajevo Canton	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Delivered Study of Territorial Organization</i> • <i>Implemented "Public Papers in Public Administration in One Public Space" project</i> • <i>Introduced monitoring mechanisms:</i> <ul style="list-style-type: none"> • <i>"one-stop shop" (business-oriented administration) at the level of municipalities and the SC</i> • <i>"one-stop shop" (business-oriented administration) at the level of municipalities and the SC</i> • <i>Adopted legal framework for compulsory exchange of public documents for the exercise of citizen rights</i> • <i>Established use of electronic documents</i> • <i>Established information system for public records management</i> • <i>Public portal for detailed and precise search of laws and legal procedures, official papers as well as online access to the same</i> • <i>Founded the Department for International Cooperation and EU Integration of the Sarajevo Canton Government, and for withdrawing funds from EU funds</i> • <i>Strengthened capacities of the Sector for Borrowing, Debt Service and Development for ensuring quality sources of financing of the Sarajevo Canton - issuance of bonds, access to EU funds, etc.</i> • <i>Developed and implemented training program for all Ministries and Institutions of the SC in formulation and development of projects in accordance with strategic priorities at the SC level</i> • <i>Improved quality of project proposals for financing from the budget, credits, donors and international funds</i> • <i>Established functional management system for Public Investment Program</i> 	<ul style="list-style-type: none"> • <i>Defined competencies and strengthened coordination of development policies</i> • <i>Established "all in one place" system</i> • <i>Established obligatory data exchange between public institutions</i> • <i>Established and built administration capacities for withdrawal of EU funds</i> • <i>Increased participation of international funds in the financing of public investment and other projects</i> • <i>Strengthened link between key processes related to planning of optimal allocation of funds for public investment, strategic planning and budgeting in the SC</i> • <i>Public investment program of main instruments for the integration of current and capital budgets, financial monitoring of implementation of the development strategy, and drafting the plan of borrowing and financing from all other sources in accordance with strategically oriented of the SC</i>

	<p><i>of the SC</i></p> <ul style="list-style-type: none"> <i>e-archives of the Development Planning Institute of the Sarajevo Canton</i> 	
DEVELOPMENT EFFECT	<i>Increased volume of public finances for the development and scope of public investment</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	1,016,000 KM IFC, Budget of the SC, monetary value of other intangible assets	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Finance, Development Planning Institute of the SC, Institute of Informatics and Statistics of the SC, Ministry of Internal Affairs	
BENEFICIARIES	Society as a whole	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.2 Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration	
MEASURE	5.2.2 Enhance legal and strategic framework and strengthen institutional capacities and public awareness in the field of environmental protection	
OBJECTIVE OF THE MEASURE	<p>Creating a basis for environmental protection and adequate spatial planning</p> <p>Optimization of the number of employees in cantonal environmental and nature protection institutions</p> <p>Public awareness on environmental issues raised</p>	
PROJECTS AND ACTIVITIES	5.2.2.1 Adopt new and harmonize existing legislation	
	5.2.2.2 Adopt new and harmonize existing strategic documents and plans	
	5.2.2.3 Improvement of organizational structure and staff capacities of cantonal institutions of environmental and nature protection and municipalities of the SC	
	5.2.2.4 Education and promotion on the importance of environmental and nature conservation	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> <i>Number of adopted acts prescribed by law</i> <i>Number of adopted and harmonized strategic documents and plans</i> <i>Number of highly educated persons in cantonal environmental and nature protection institutions of the SC</i> <i>Number of inspectors</i> <i>Number and type of equipment purchased</i> <i>Number of educated and certified experts in gas technology</i> <i>Number of education sessions</i> <i>Number of participants, leaflets/advertisements/brochures</i> <i>Number of information campaigns</i> 	<ul style="list-style-type: none"> <i>Amended Law on Spatial Planning</i> <i>Drafting new Urban Plans: of the City of Sarajevo, Hadžići, Ilijaš and Trnovo</i> <i>Adoption of Amendment to Spatial Plan of the SC (ASPSC)</i> <i>Adopted Decision on Protection of Drinking Water Source "Sarajevsko polje"</i> <i>Initiated implementation of measures under the special program of Decision</i> <i>Adopted Law on Municipal Waste Management</i> <i>Drafted Law on communal police and established service</i> <i>Created Plan of Management of the Protected Landscape "Trebević" and Spatial Plan for Nature Monument "Vrelo Bosne"</i> <i>Drafted new Cantonal Environmental Protection Plan (CEAP)</i>

		<ul style="list-style-type: none"> • <i>Created Spatial Plan for the Area of the Special Character PP "Trebević"</i> • <i>Drafted Water Management Plan of the SC</i> • <i>Adopted and harmonized technical regulations of the German Gas and Water Association - DVGW within the project "Harmonization of Technical Regulations in South East Europe"</i> • <i>Improved organizational structure and staff capacities of cantonal institutions and municipalities of the SC</i> • <i>Enhanced capacities of environmental inspections by increasing the number of inspectors and procurement of equipment</i> • <i>Professionally educated and professionally trained staff of all profiles according to current technical standards in gas technology</i> • <i>Created and implemented education and awareness raising program for citizens for separate waste collection and recycling</i> • <i>Campaign to increase public awareness of the importance of environmental and nature protection</i> • <i>Conducted education of households, economic sector on energy efficiency</i> • <i>Primary school Aleksa Šantić (Self-sustainable eco-school)</i> • <i>Treća gimnazija (High-School): Eco-info club</i> • <i>Study for forming the Urban Rulebook for the Sarajevo Canton</i>
DEVELOPMENT EFFECT	<i>Raising the level of environmental management Strengthening professional capacities</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	3,516,300 KM Budget of the SC, own funds of Sarajevogas	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Physical Planning, Construction and Environmental Protection of the SC, Ministry of Communal Economy and Infrastructure, Ministry of Economy, Ministry of Education, Science and Youth, Cantonal Administration for Inspection Affairs, Development Planning Institute of the Sarajevo Canton	
BENEFICIARIES	CPUCs and PUCs from the SC area, legal entities, municipalities, citizens	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton
PRIORITY OBJECTIVE	5.2 Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration
MEASURE	5.2.3 The SC development indicators monitoring system (comparable to EU and world)

OBJECTIVE OF THE MEASURE	Establish an adequate basis for the development planning process and monitoring the impacts of measure implementation	
PROJECTS AND ACTIVITIES	5.2.3.1 Establish monitoring and all key indicators at the level of municipalities, City and Canton important for monitoring development as compulsory in regular statistical publications of the Federal Statistical Office and Agency for Statistics	
	5.2.3.2 Develop a Special Research Program of relevance for the Sarajevo Canton (for purposes of physical planning, urban planning, monitoring, strategic planning evaluation)	
	5.2.3.3 Enable availability (free of charge) of all company business data at FIA for public interest	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> The Federal Statistical Office and the Institute for Informatics and Statistics of the SC established regular monitoring and publication of indicators according to EUROSTAT Methodology such as: GDP, structure of GDP according to CA 2010, expected life expectancy at birth, enrolment rates in schools and universities, population literacy rate, employment rate by ILO methodology, human development indicators Developed and adopted Program of regular research as a basis for development planning and development monitoring Available data of the FIA 	<ul style="list-style-type: none"> Established EU system of comprehensible development indicators allowed by international comparison of the SC development and monitoring of policy development impacts based on facts
DEVELOPMENT EFFECT	Established system of monitoring of development indicators and effects with the aim of the SC positioning, monitoring and evaluation of development goals	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	100,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2018	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Development Planning Institute of the SC, Institute for Informatics and Statistics of the SC	
BENEFICIARIES	Line Ministries	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.2 Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration	
MEASURE	5.2.4 Modernization of infrastructure for governance and administrative operations	
OBJECTIVE OF THE MEASURE	Improve services for citizens, economy and improve working conditions of administrative services	
PROJECTS AND ACTIVITIES	5.2.4.1 Development and implementation of the Medium Term Investment Plan for Modernization of Business Premises and Equipment of Administration, Police and Judiciary	
	Output/direct indicators	Expected results

OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	<ul style="list-style-type: none"> • <i>Drafted and adopted Medium Term Investment Plan for Modernization of Business Premises and Equipment of Administration, Police and Judiciary</i> • <i>Construction and adaptation of III Police Administration of the MIA SC PS Novi Grad</i> • <i>Construction of a modern fire brigade building at the highest standards</i> • <i>Renovation of roofs, facade and windows on the palace of justice</i> 	<ul style="list-style-type: none"> • <i>Enhanced citizen security</i> • <i>Improved conditions for the work of administration</i>
DEVELOPMENT EFFECT	<i>Increasing the efficiency and quality of public services and citizens' safety</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,400,000 KM Budget of the SC and other sources	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Internal Affairs, Ministry of Justice and Administration, Fire Brigade	
BENEFICIARIES	Administration employees, Fire brigade, citizens	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.3 Strengthen citizens' participation in development management of the SC	
MEASURE	5.3.1 Improvement of civil dialogue and capacity building of civil society	
OBJECTIVE OF THE MEASURE	Development based on citizen participation	
PROJECTS AND ACTIVITIES	5.3.1.1 Developing a strategy of cooperation between the public and civil sector (including goals and key mechanisms) in the area of development management in the SC	
	5.3.1.2 Establishing a framework for the efficient functioning of the civil society sector as a development partner	
	5.3.1.3 Establishing mechanisms for active diaspora participation in development of the SC	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Developed and adopted Strategy and Medium-term Civil Society Development Program in the SC</i> • <i>Conducted Analysis and evaluation of the effects of existing cooperation between government and civil society</i> • <i>Created Analysis of the existing legal framework and institutional capacities for cooperation with civil society</i> • <i>Created analysis of the state and efficiency of the work of civil society organizations and defined key guidelines for improving their performance</i> • <i>Established mechanisms for better co-operation between public institutions and civil-social organizations in order to develop different development sectors</i> • <i>Adopted and implemented Program of training and educational-promotional events for employees in public</i> 	<ul style="list-style-type: none"> • <i>Strengthened capacities of CSOs for developmental participation of the SC</i> • <i>Established mechanisms of cooperation with the public sector</i> • <i>Improved public sector capacity for creating strategic co-operation with CSOs in development planning, policy implementation and monitoring of their impact</i> • <i>Diaspora animated and introduced incentives for its active participation in the development of the SC</i> • <i>Increased rate of innovation based on strategic partnerships created and valorised acquired global knowledge and skills</i> • <i>Increased diaspora investment rate in key development projects of the SC</i> • <i>Accelerated monitoring and elimination of reported utility problems</i>

	<p><i>institutions of the SC who are in any way related to civil society and CSOs, and strengthening citizen awareness of the importance and possibilities of the activities of civil society organizations</i></p> <ul style="list-style-type: none"> Established administrative body for diaspora Adopted program for active inclusion of diaspora in the development of the SC Established integrated web portal and mobile application to enable reporting of municipal issues by citizens at the level of local communities connected to the systems of competent utility organizations and their methods of reporting faults/incidents in that way Establishing mechanisms for monitoring active citizen participation 	<ul style="list-style-type: none"> Established system for solving requests, malfunctions and interventions, providing feedback to the claimant in all CPUCs Reduced infrastructure faults Implemented Program of training and educational-promotional events for employees in public institutions of the SC who are in any way related to civil society and CSOs Established monitoring bodies, which will enable the active role of CSOs in public policy monitoring Defined criteria and transparent system of budgetary and non-budgetary financing of activities of civil society organisations (CSOs) in the SC
DEVELOPMENT EFFECT	Increasing the efficiency and quality of socio-economic development through citizen participation including diaspora	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	150,000 KM Budget of the SC and EU funds	
MEASUREMENT IMPLEMENTATION PERIOD	2017-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Institute of Informatics and Statistics of the SC and Ministry of Communal Economy and Infrastructure	
BENEFICIARIES	Society as a whole	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.4 Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law	
MEASURE	5.4.1 Improving citizens' safety	
OBJECTIVE OF THE MEASURE	Enhance citizen security	
PROJECTS AND ACTIVITIES	5.4.1.1 Establishing an efficient security system with a view to reducing the risk and protecting the institutions and the population from threats to security	
	5.4.1.2 Redefining the legal and organizational framework for the management of common parts of collective buildings with floor owners	
	5.4.1.3 Suppression of juvenile delinquency	
	5.4.1.4 Adopting legal and institutional framework (laws and bylaws) and programs aimed at combating corruption and crime	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> Implemented Guidelines for Treatment of Victims of Violence in Sarajevo Primary and Secondary Schools Established system for preventing football hooliganism and disorder on sport grounds to improve the security situation in the Sarajevo Canton Protective fences around the tram line set up to increase citizen safety and reduce accidents Construction of walls on tram stops 	<ul style="list-style-type: none"> Increased level of the SC as safe environment Reduced volume of juvenile delinquency and hooliganism More efficient management of common parts of buildings blocks Reduced number and mitigated consequences of traffic accidents Improvement of movement conditions for blind and low-vision persons Future development and improvement of

	<ul style="list-style-type: none"> • <i>Placing tactile tapes and devices on traffic lights for blind and low-vision people</i> • <i>Installing security cameras in PCTP vehicles</i> • <i>Pacification of traffic near schools</i> • <i>Development of the Road Safety Strategy for the SC area for the period 2016-2020</i> • <i>Security cameras installed at key locations around the city to detect car speeds and detect criminal acts, thefts and robberies</i> • <i>Security camera network installed at certain city points to be used to prevent crime, thefts and robberies</i> • <i>Stray dogs permanently and completely removed from public areas</i> • <i>Redefined legal-institutional and organizational framework for the management of common parts of buildings for the purpose of a more efficient management system with collective housing units</i> • <i>Adopted Action Plan for the Prevention of Violence and Suppression of Juvenile Delinquency in the SC</i> • <i>Adopted relevant bases for prevention, detection and punishment of corruption and crime</i> • <i>Adopted Corruption and Crime Prevention Program</i> • <i>Primary School Aleksa Šantić (Growing Up Without Violence)</i> 	<p><i>traffic safety in the area of the SC</i></p> <ul style="list-style-type: none"> • <i>Reduced volume of corruption</i> • <i>Reduced volume of crime</i> • <i>Increased legal safety of citizens and business entities</i>
DEVELOPMENT EFFECT	<i>High security rate of citizens and visitors, standard of living and reduction of delinquency</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	3,905,000 KM Budget of the SC and other sources	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Internal Affairs, Ministry of Physical Planning, Construction and Environmental Protection, Ministry of Transport, Ministry of Culture and Sports, Ministry of Justice and Administration, Ministry of Education, Science and Youth	
BENEFICIARIES	Citizens, legal entities, society as a whole	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton
PRIORITY OBJECTIVE	5.4 Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law
MEASURE	5.4.2 Reduce volume of gray economy
OBJECTIVE OF THE MEASURE	Improve the legal framework to reduce the burden on the economy based on labour and intensify the work of inspections and raise awareness of the public to combat the gray economy

PROJECTS AND ACTIVITIES	5.4.2.1 Amendments to legal provisions aimed at reducing the level of tax and social burdens of economy based on the labour	
	5.4.2.2 Amendments to the Law on Mediation in Employment and Rights during Unemployment	
	5.4.2.3 Create a Study on the introduction of a lump sum for certain service activities and introduction of a lump sum according to the results of the study	
	5.4.2.4 Establishment of the Cantonal Coordination Body for Fighting the "gray economy" in the area of the SC	
	5.4.2.5 Development of an active policy/program for reducing the gray economy in the SC	
	5.4.2.6 Strengthening the capacity of the competent inspection and co-operation with police officers for the work of inspectors on the ground	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Direct tax rate</i> • <i>Liability of employers based on contribution on average salary</i> • <i>Liability of employers based on volunteer work</i> • <i>Changed rights during unemployment</i> • <i>Number of active job searchers on record</i> • <i>Number of service activities covered by the lump sum policy</i> • <i>Formal Cantonal Committee for Combating Gray Economics in the SC (including Indirect Taxation Authority and FBiH Tax Administration in control function)</i> • <i>Developed active policy/program for reducing the gray economy in the SC</i> • <i>Number of carried out inspections by labour inspection and tax inspection</i> • <i>Number of cases of undeclared work</i> • <i>Number of cases of undeclared turnover/tax</i> • <i>Number of events on gray economy topic</i> 	<ul style="list-style-type: none"> • <i>Reduced tax and social burden reduction on the economy/employers through amendments of: the Law on Taxes, the Law on Contributions, the Law on Volunteer Work, the Law on Internship, etc.)</i> • <i>Improved policy on the rights during unemployment in the sense of encouraging active job search</i> • <i>Improved lump-sum policy, especially in service-oriented activities that are more difficult to control</i> • <i>Established partnership of institutions for reduction of gray economy in the SC</i> • <i>Adopted active policy to reduce the gray economy in the SC</i> • <i>Strengthened capacity of inspection services and increased efficiency of the work of inspection services with increased sanctions for undeclared work</i> • <i>Reduced number of cases of undeclared works and decreased undeclared turnover</i> • <i>Organized educational and expert meetings on the topic of gray economy</i>
DEVELOPMENT EFFECT	<i>Increase in income on the basis of taxes and contributions on wages by increasing registration of employees due to reduction of employer's burden</i> <i>Increased supervision of labour inspection and tax inspection</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	55,000 KM Budget of the SC	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Ministry of Labour, Social Policy, Displaced Persons and Refugees, Employment Service of the SC, Ministry of Economy, Cantonal Directorate for Inspection, Line Ministries, CCSC	
BENEFICIARIES	Employers (legal entities and crafts), service activities covered by the policy of lump sums,	

	unregistered workers, partner institutions to combat the gray economy
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STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton	
PRIORITY OBJECTIVE	5.4 Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law	
MEASURE	5.4.3 Protection and rescue system	
OBJECTIVE OF THE MEASURE	Improve the security of citizens, adequate protection and rescue of people and goods based on the concept of disaster risk reduction and adaptation to climate change	
PROJECTS AND ACTIVITIES	5.4.3.1 Improve the functioning of civil protection	
	5.4.3.2 Strengthening capacities of civil protection	
	5.4.3.3 Education on disaster risk reduction	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Modify the existing Law on the Jurisdiction of the Sarajevo Canton Authorities in the Field of Protection and Rescue of People and Natural Disasters from Natural and Other Accidents and the Law on Responsibilities of the Sarajevo Cantonal Authorities in the Field of Fire and Fire Protection in accordance with the existing needs</i> • <i>Make Risk Assessment in all municipalities in the SC area through risk and vulnerability analysis</i> • <i>Enhance the implementation of measures by cantonal inspection in the field of fire and fire protection in municipalities as well as all legal entities of significance for Canton and Municipality</i> • <i>Identify critical infrastructure and design a plan for its protection (schools, hospitals, water pipelines, power plants, main communications, etc.)</i> • <i>In accordance with regulations, improve the state of the hydrant fire extinguishing network in the SC area as well as overhead hydrants, pressure and water levels in the network; create a hydrant network register with hydrant positions</i> • <i>Advocate for the establishment of a mechanism for financial risk sharing, in particular insurance and reinsurance in case of natural or other accidents</i> • <i>Promote the establishment of a public-private partnership (private sector needs to be more involved in disaster risk reduction activities)</i> • <i>In the light of severe climate change and global warming, suspend regular activities, consider the measures necessary to maintain critical functions of the SC</i> 	<ul style="list-style-type: none"> • <i>Improved civil protection efficiency in the event of natural disasters and introduced measures of prevention</i> • <i>Modernized fire-fighting equipment and improved fire prevention system</i> • <i>Modernized equipment and improved prevention system in civil protection</i>

	<ul style="list-style-type: none"> • <i>Improvement of the Operational Communication Centre for Civil Protection 121, as well as connecting of all protection and rescue actors</i> • <i>Equipping of fire fighting units shall be carried out in accordance with the Ordinance on mining equipment and resources and the time of use of equipment and resources for professional and other fire department units</i> • <i>Purchase a rescue vehicle in case of traffic accidents and rescue from a height of over 30 m</i> • <i>Equipping of expert teams for the implementation of measures and procedures for mitigating the consequences of natural and other disasters</i> • <i>Provide additional healthcare capacities and create health and rescue plans for health facilities that are activated in the event of a natural or other accident</i> • <i>Take measures to reduce the risk of accidents in mass sports and cultural events</i> • <i>Introduce in primary and secondary education the topics of disaster risk mitigation and adaptation to climate change into relevant parts of curricula</i> 	
DEVELOPMENT EFFECT	<i>The SC is resistant to natural and other disasters, creating better quality living conditions and a favourable climate for investment and sustainable development</i>	
PROVISIONAL FINANCIAL ASSETS AND SOURCES	4,000,000 KM Budget of the SC Government and Municipalities, Federal Government, IPA Funds, International Organizations in BiH	
MEASUREMENT IMPLEMENTATION PERIOD	2016-2020	
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Cantonal Civil Protection Administration of the SC, Ministry of Economy of the SC, Ministry of Communal Economy and Infrastructure, Ministry of Physical Planning, Construction and Environmental Protection, Ministry of Transport, Ministry of Agriculture, Water Management and Forestry of the SC, Ministry of Education, Science and Youth, Ministry of Health, Development Agencies, Municipalities, Public Utility Companies, NGOs	
BENEFICIARIES	Society as a whole	

STRATEGIC OBJECTIVE	5 To improve the development management system of the Sarajevo Canton
PRIORITY OBJECTIVE	5.5 Positioning the SC in the wider region and Europe
MEASURE	5.5.1 Creating and managing the SC brand
OBJECTIVE OF THE MEASURE	Increase the SC population awareness, increase confidence in their own strength, knowledge and abilities Increase the distinctiveness and added value of the economy of the SC Ensure efficient and effective use of brand
PROJECTS AND ACTIVITIES	5.5.1.1 Drafting the SC Branding Strategy - Model of the SC Brand Designing

	5.5.1.2 Establishment of an institutional brand management mechanism	
	5.5.1.3 Promotion of the SC Brand	
OUTPUT/DIRECT INDICATORS AND EXPECTED RESULTS FOR MONITORING MEASURES	Output/direct indicators	Expected results
	<ul style="list-style-type: none"> • <i>Defined bases for developing the brand - basic inputs for the model (analysis of situations and trends in the environment, definition of mission, vision and fundamental goals of the SC; defining target groups and researching customer service needs; defining identity of the SC and exploring the existing image of the Canton);</i> • <i>Developed brand (defining Canton's products according to the target groups, the positioning strategy of the Canton and the selection of the strategy for the promotion of the site; the construction and design of the brand of the Canton (design of the logo, selection of the brand slogan, building the brand identity, education of employees);</i> • <i>Adopted Implementation Plan (brand performance evaluation and brand value estimation from the SC aspect; feedback and constant corrections)</i> • <i>Defined quality standards of the Sarajevo brand and introduced control of the quality of services and accommodation in tourist facilities promoted through the brand.</i> • <i>Branding Conference - Educating domestic businessmen and other stakeholders on the latest knowledge in the area of marketing communication and the optimal ways of creating new and promoting existing brands in the Sarajevo Canton, which would contribute as a network to the formation of the brand of the Sarajevo Canton as a destination;</i> • <i>Plan of integrated promotion and budget of the Sarajevo Canton budget and continuous renewal of plans</i> • <i>Created and placed promotional video, audio, printed and digital materials</i> • <i>Creating and maintaining web pages and social network pages</i> • <i>Efficient Public Relations activity</i> • <i>Measurement and monitoring of communication effects</i> • <i>Organization and support of events of significance for the Sarajevo Canton (concerts, sporting events, social events, cultural events, etc.)</i> 	<ul style="list-style-type: none"> • <i>The SC positioned as a competitive canton, attractive, safe, successful and recognizable, a place with its own personality</i> • <i>Established positioning mechanisms based on core values of the SC</i> • <i>Increased use of Sarajevo brand within the business and sports industries</i> • <i>Increased affiliation of citizens to the brand</i> • <i>Increased quality of products that use the brand as a promotional tool</i> • <i>Growth of tourist number</i> • <i>Growth of investment</i> • <i>Export growth</i> • <i>Growth of cultural and sport manifestations and events</i>

DEVELOPMENT EFFECT	<i>The brand creates the competitive advantages and image of Sarajevo, the attractiveness of Sarajevo for life and work in it, for the influx of visitors and investments, for the development of export businesses and creative industries. Branding is a modern form of adding value through greater brand recognition and quality of products that use the brand.</i>
PROVISIONAL FINANCIAL ASSETS AND SOURCES	400,000 KM Budget of the SC
MEASUREMENT IMPLEMENTATION PERIOD	2017-2018
COORDINATOR AND PARTICIPANTS IN IMPLEMENTATION	Government of the SC, Development Planning Institute of the SC, Ministry of Economy, Institute for Informatics and Statistics of the SC
BENEFICIARIES	Residents of the SC, employees in the SC, business community, visitors, new investors

2 Indicative financial and term framework

Introductory considerations in the draft indicative financial framework for the period 2016-2020

In the following medium-term budget period 2015-2017, it is realistic to expect budget spending to continue to be burdened by budget deficit financing, which has been present since 2008 when the level of revenue generated was insufficient to cover the actual expenditures of budget users in the SC, and the necessary reform measures in the area of spending were not undertaken or if they were taken, they were not sufficient to ensure balance of revenues and expenditures. The Government of the Canton will work with fiscal burdens in this period with regard to fiscal pressures related to the settlement of domestic claims, the repayment of foreign debt and the increase in the costs of social benefits. Therefore, it will be necessary to continue with the restrictive public spending policy.

Fiscal policy measures such as public works, public employment projects, tax rate changes, automatic stabilizers - automatic change of tax revenues and transfer payments, in the Sarajevo Canton, as a lower level of authority not entrusted to those competencies, are difficult to reach. Most often this happens indirectly from the higher levels of government to the lower, so that, for example, The SC may very rarely influence the change in tax rates as they are most commonly made at the Federation level for all Cantons or, for example, public works often cannot be the subject of public expenditures of the SC Budget which is already burdened by the entire education system (from pre-school to higher education) and the internal affairs system and, to a large extent, the justice system (Cantonal Court, Municipal Court, Cantonal Prosecutor's Office, Public Attorney's Office). Therefore, it is necessary to look at the fiscal system of the SC within the real and potential framework, which implies providing good information to higher levels of government on comparison of the overall revenue potential of the SC with the expense burden of this level of authority so that the higher levels of government would have a realistic picture of the overall state and could take the above fiscal policy measures.

What is visible from the 2015 annual budget is that the SC Government has expressed its readiness to decisively move forward in the future period in the reforms that will ultimately result in not only a reduction in current budget spending but also a rational spending of budget resources. Total budget revenues for 2015 are planned in the amount of 690 million KM, and further in 2016 amount to 669.5 million KM, and in 2017 670.5 million KM. The largest difference in total revenues between 2015 and the following years consists of transferred funds from previous years that have not been spent (approx. 21 million KM), deferred, and unspent credit facilities (8.4 million KM), as well as the funds planned from the company privatization (6 million KM). Also, what is important to point out is that the SC Government will plan to reduce the current deficit in the coming period, starting with 2015, and from 2018 it plans to balance the budget without entering into deficit financing. If we look at the details, we see that in 2015 there is planned borrowing of 20 million KM, and 22.5 million KM in 2016 and 2017 each, which will be finally determined by the adoption of the Canton Sarajevo budget for the mentioned years.

When it comes to budget expenditures, in the annual budget for 2015 we have the total amount of planned expenditures of 690 million KM, where a part of the accumulated deficit from previous years is 20.6 million KM. Total planned capital transfers and expenditures in the budget for 2015 are planned at the level of 71.3 million KM out of which 35.1 million KM are dedicated revenues, 19.3 million KM budget funds, 6.6 million KM own funds, 8.4 million KM transferred funds, and 1.5 million KM receipts. Total current transfers in 2015 are planned in the amount of 226.8 million KM, of which 21.3% goes to subsidies to public companies. In the following years, there was no significant fall in this amount that is maintained at the level of 212 million KM in 2016 and 2017.

The Government of the KS in its action plan through the expose of the Prime Minister announced the readiness to maintain the stability of the financial system and respect the budget balance. Prerequisite is the rationalization of public spending, which will lead to efficient management and effective public spending which will enable in short term the control of the accumulated deficit and the stability of the overall public debt, looking mid-term.

Guidelines for financing the Development Strategy of the SC 2020.

- In the forthcoming period, the SC Government should look at the dynamics and purpose of dedicated expenditures by budget users and work towards linking development strategic objectives and priorities for the period 2016 -2020 with spending of these funds.
- The SC Government will embark on a structural reform of public enterprises which it owns and for the purpose of their market reorganization and self-sustainability, and thus on the release of significant funds in the next budgetary periods for other development projects of the SC. This will be achieved through the work on more efficient spending of existing material and human resources, their market orientation, improving the existing and introducing new services, connecting with the private sector wherever possible, all in order to provide more quality services to citizens with minimal budget allocations.
- The SC enters the process of building program-design capacities of employees at all budget users in order to run projects at international institutions (especially EU integration such as IPA funds and other EU funds). In accordance with the legal presumptions for the withdrawal of EU funds defined by the "Procedures of participants' activities in the process of submitting Sarajevo Canton applications to EU pre-accession assistance instruments" issued by the Ministry of Finance of the Sarajevo Canton, it is realistic to foresee funding through the EU and other donors under the condition of well-prepared Projects and qualifications of civil servants for applying. The Sarajevo Canton has positive experiences in using these funds and implementing them through the budget¹⁵.
- The SC is implementing amendments to the Decree on determining own revenues, ways and timelines for allocation and alignment with the federal regulation regulating this area, which will contribute to making a significant portion of the funds public revenue of the budget, in accordance with the regulations, and enabling the management of funds in the way the funds are allocated and enabling the Sarajevo Canton budget, with a social component (which is burdened by the law) to become a partially development budget.
- The SC has undertaken activities on the establishment of the Concession Registry (a unique electronic register of concession contracts awarded in the SC area) in accordance with the Concession Law¹⁶ in order to better monitor the work of the concessionaire and its fulfilment of contractual obligations, which will contribute to improvement of financial capabilities of the SC by collecting claims on the basis of resource exploitation.

¹⁵A positive example is the project "Traveller Information system for the Adriatic Region TISAR" worth 2,180.00 euro, and implemented by the Ministry of Transport of the SC and SERDA with partners from Italy, Greece, Croatia and Slovenia, which will be completed by the end of 2015. In addition, the SC has experience and a part of the trained administration capable of being a partner in such projects and contributing to the EU donor funds being utilized and realized.

¹⁶"Official Gazette of the Sarajevo Canton", no. 27/11

- By drafting and adopting the Draft Amendments to the Sarajevo Canton Budget for 2015, a novelty was introduced in the budgeting process in the Sarajevo Canton, with regard to the Credit Guarantee Fund. For the allocations of the Ministry of Finance of the Sarajevo Canton, the planned funds amount to 1 million KM for this purpose. Providing of this guarantee deposit, selecting the bank through a public call to carry out the activities of selecting the best projects with good prospects and small risk in co-operation with the Sarajevo Regional Development Agency (SERDA), will make it easier and simpler to provide credit to companies and create more favourable business environment of economic development and the creation of new jobs. It will indirectly affect the financial capabilities of the SC through collecting all taxes contributed to by new profits and income. The Credit Guarantee Fund is a long-term idea that will be part of the SC budget over the coming years and will enable the growth of existing and possibly new business entities with an emphasis on increasing employment and living standards of all citizens of the SC.
- *Public Investment Program (PIP) for 2015-2017*: the total planned value of all projects is 918.033.642 KM, of which 717.160.442 are current and 200.873.200 KM are nominated projects. Of the total planned value of current projects, during the investment period, 366,584,163 KM or 51.1% was realized. In the total project implementation the Sarajevo Canton Budget funds amount to 245,869,691 KM or 67.1% share. In 2015, the total planned funds for all projects amount to 112,843,805 KM, of which 108,225,705 KM are current and 4,618,100 KM are nominated projects. In addition to the funds of the Sarajevo Canton Budget for the implementation of projects, other sources of financing - credit facilities are also needed. Thus, public investments are financed from foreign loans: Wastewater Project for Sarajevo, Road Construction Project, Road Construction Project Phase II, and Project for Construction of University Library, Project of Completion and Equipping of the CCUS
- The SC Government should initiate a reform and reorganization of the health insurance system by creating a sustainable financing system, i.e. establishing a balance between possible revenues and assumed expenditures, ensuring rationalization in all segments of health care system spending, not minimizing the scope and quality of possibility of health response to justified requirements for health services of insured persons. Credit liabilities realized in the past year will represent a large financial burden on the Fund in the forthcoming period.

Table 30. Total possible allocations for development programs of the Canton Development Strategy

Total possible allocations for development programs of the Canton Development Strategy		Period 2016-2020 (KM)
1.	Total savings/reallocation of funds from current expenditures in favour of development projects (SC Development Strategies for 2016-2020)	8.000.000
2.	Total savings/reallocation of funds of subsidies to public companies in favour of development projects (SC Development Strategies for 2016-2020)	40.000.000
3.	Total allocations of dedicated funds that can be used for development projects of the SC Development Strategy (allocations from Cantonal and Municipal level)	60.000.000
4.	Total capital expenditures in favour of development projects of the Development Strategy (Canton and Municipalities)	100.000.000
5.	Total capital expenditures in favour of development projects of the Development Strategy (non-budgetary beneficiaries)	15.000.000
6.	Financing from funds obtained by concluding concession contracts with users of these services in the SC	4.000.000
7.	Financing from credit liabilities to domestic banks and International Financial Institutions (World Bank, EBRD, EBI and similar)	30.000.000
8.	Non-refundable funds from the provided EU funds (IPA II, Adriatic-Ionian Strategy, Danube Strategy, Cross-Border Cooperation Program Croatia-BiH-Montenegro, URBACT III, IPARD, etc.) ¹⁷	30.000.000
9.	Credit Guarantee Fund for SME development in the Canton area	5.000.000
10.	Funds of non-budgetary users allocated for development projects	15.000.000

¹⁷ IPA II Project, up to 2020 for BiH amounts to 165.8 million Euros; IPA Cross-Border Cooperation Program Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 will be implemented in the financial period 2014-2020 under IPA II programme (approximately 57 million EUR);

Total possible allocations for development programs of the Canton Development Strategy		Period 2016-2020 (KM)
11.	Total funds received for rural development and development of Cantonal and Municipal SMEs in the Canton and Municipalities by international donor organizations (SIDA, USAID, UNDP, GTZ ORF - Open Regional Fund for South Eastern Europe)	10.000.000
12.	Funds from the FBiH Public Investment Program	30.000.000
13.	Instruments and programmes at the BiH level (Ministry of Human Rights and Refugees, Ministry of Civil Affairs of BiH), and Entity instruments and programmes (Ministry of Education and Science of the FBiH, Ministry of Physical Planning of the FBiH, Foundation for Sustainable Development of FBiH - OdRaz)	3.000.000
14.	Funds for active employment policy	35.000.000
15.	Fee for use of urban construction land	150.000.000
Total		535.000.000

Indicative financial framework by measures

Table 31. Indicative financial framework by measures

Period	2016	2017	2018	2019	2020	Total amount (KM)
Strategic objective 1 To improve the administrative and business environment to accelerate economic growth and improve the economic structure to increase exports of goods and services						
Priority 1.1 Improving innovation, standardization and export orientation in manufacturing and service industries with potential for exports (between, among others, metal, wood, food, green, creative industries, etc)						
Measure						
1.1.1 Support for capacity building of export-oriented enterprises in strategic sectors of the economy (especially metals, wood and food)						200.000
1.1.2 Improving competitiveness and product promotion of the SC						100.000
1.1.3 Increasing the innovation of the economy by establishing contemporary scientific and technological base						3.000.000
1.1.4 Development of the creative industry in the SC						2.450.000
1.1.5 Strengthening human resource capacity to improve economic competitiveness						72.000
Priority 1.2 Supporting the competitiveness and attractiveness of the SC for investment in ICT industry						
Measure						
1.2.1 Support for computer literacy in the SC						7.888.000
1.2.2 Development of capacities for support in ICT industry						10.060.000
Priority 1.3 Increasing the competitiveness of the tourist destination of the SC						
Measure						
1.3.1 Establishing a framework for tourism development of the SC						300.000
1.3.2 Establishment of tourism value chain and systematic promotion of tourism offer of the SC						1.039.000
1.3.3 Improvement of tourism infrastructure of the SC						17.590.000
1.3.4 Valorisation of natural tourist resource base						40.700.000
1.3.5 Promotion of special forms of tourism in the area of the SC						6.500.000
Priority 1.4 Improving the administrative and business environment for rapid attracting of domestic and foreign investment, entrepreneurship development and facilitation of capital and human resources mobility						
Measure						
1.4.1 Creating a favourable business environment and promoting the SC as a desirable destination for domestic and foreign investments						200.000
1.4.2 Support to entrepreneurship development						28.000.000
1.4.3 Improving spatial conditions for SME development in business zones and incubators						8.400.000

Priority 1.5 Restructuring the sector of communal economy and utility services and accelerating the development of the green industry and the circular economy						
Measure						
1.5.1 Improvement of conditions for development of communal economy in the SC						100.000
1.5.2 Strengthening the capacity of Public Utility Companies						130.000
Priority 1.6 Improving the conditions for sustainable development of the rural areas of the Sarajevo Canton						
Measure						
1.6.1 Creating the environment for accelerated investment in rural development of the SC and application of LEADER approach						500.000
1.6.2 Improving the competitiveness of the agricultural sector in the SC and improving the supply of domestic agricultural products						14.000.000
1.6.3 Support to the development of forestry and hunting						300.000
Total Strategic Objective 1						141.529.000
Strategic objective 2: To increase employment and create new, better-rated, jobs						
Priority 2.1 Improving the matching between supply and demand in the labour market and reducing structural unemployment						
Measure						
2.1.1 Establishment of a dual education system that will provide education and training oriented to labour market needs						5.000.000
2.1.2 Harmonization of enrolment policy in educational organizations and provision of professional orientation services						520.000
2.1.3 Improving cooperation and capacity of actors in the education and social partnerships in creating and implementing employment policies						500.000
2.1.4 Co-financing of employment program						59.000.000
2.1.5 Support to special programs for reducing long-term unemployment						3.080.000
Priority 2.2 Implementing effective re-qualification and adult education programs						
Measure						
2.2.1 Development and promotion of informal education (adult training) program in the SC						2.450.000
Priority 2.3 Developing entrepreneurial culture						
Measure						
2.3.1 Developing business models of social entrepreneurship						4.368.000
Total Strategic Objective 2						74.918.000
Strategic objective 3: To create conditions for inclusive social and economic growth and poverty reduction and to improve availability and reliability of all public services						
Priority 3.1 Empower social and labour activation of vulnerable groups of population and improve social protection system for poverty reduction						
Measure						
3.1.1 Reform of the Social Protection System - from a passive social transfer system to active social investment and social inclusion policies						500.000
3.1.2 Development and implementation of the joint Program of Social Inclusion and Work Activation 2017-2020 in Municipalities and SC						10.050.000
3.2 Reform health care and health services system						
Measure						
3.2.1 Improving the efficiency and effectiveness of health services						8,902,000
3.2.2 Improvement of health infrastructure						103.495.900
3.2.3 Improvement of the health insurance system						100.000
3.2.4 Development of health tourism (link to strategic objectives 1 and 2)						150.000
Priority 3.3 Improve the quality and availability of educational services for all target population groups						
Measure						

3.3.1 Introduction and application of quality and efficiency standards and accreditation of school programs at all levels of education						2,368,000
3.3.2 Increasing the information literacy of the population						6.000.000
3.3.3 Introduction of the system for early detection, diagnosis and intervention for children with developmental difficulties						500.000
3.3.4 Improving adult education						1.000.000
3.3.5 Improvement of educational infrastructure						17.615.000
Priority 3.4 Strengthen the social value of culture and sports						
Measure						
3.4.1 Promotion and increase of accessibility and quality of cultural services						11,300,000
3.4.2 Support to the development of the cultural infrastructure						15.000.000
3.4.3 Promotion of sports culture and sports accessibility						13.000.000
3.4.4 Support for the development of sports infrastructure						262.500.000
3.4.5 Protection of cultural and historical heritage						9.820.000
Total Strategic Objective 3						462.300.900
Strategic objective 4: To manage the environment, space, natural and infrastructural resources in a responsible manner						
Priority 4.1 Providing and improving a sustainable natural resource management system and rational use of space						
Measure						
4.1.1 Natural resources management system (biodiversity and mineral raw materials)						2,150,000
4.1.2 Integral water resource management						60.000.000
4.1.3 Integral protection and preservation of forest ecosystem stability						10.000.000
Priority 4.2 Improving the quality of environmental components and establishing integral waste management system						
Measure						
4.2.1 Improvement of soil quality						4.500.000
4.2.2 Improvement of air quality and noise protection						6.000.000
4.2.3 Utility waste management system						26.950.000
4.2.4 Special waste disposal system						4.050.000
Priority 4.3 Increasing energy efficiency and encouraging the use of renewable energy sources						
Measure						
4.3.1 Energy efficiency of public buildings						10.311.000
4.3.2 Encouraging the use of renewable energy sources						4.046.500
Priority 4.4 Enhancing the development of infrastructure and accessibility throughout the Sarajevo Canton						
Measure						
4.4.1 Road construction and reconstruction and automatic traffic management						264.750.000
4.4.2 Water supply management system and infrastructure						81.500.000
4.4.3 Wastewater collection and treatment system						155.800.000
4.4.4 Energy infrastructure - heating						31.200.000
4.4.5 Energy infrastructure - gasification						11.150.000
4.4.6 Other communal infrastructure						27.910.000
Total Strategic Objective 4						700.317.500
Strategic objective 5: To improve the development management system of the Sarajevo Canton						
Priority 5.1 Consolidating and increasing the long-term sustainability of public finances and strengthening the development capacity of public finances (budgets and public funds)						
Measure						
5.1.1 Consolidation and increase of long-term sustainability of public finances (budget and public funds)						500.000

5.1.2 Increasing the efficiency of space management (land policy instruments) and cantonal assets						150.000
Priority 5.2 Reforming public administration and strengthening the responsibility, efficiency and development capacity of administration						
Measure						
5.2.1 Administration capacity development						1.016.000
5.2.2 Enhance legal and strategic framework and strengthen institutional capacities and public awareness in the field of environmental protection						3.516.300
5.2.3 The SC development indicators monitoring system (comparable to EU and world)						100.000
5.2.4 Modernization of infrastructure for governance and administrative operations						4.400.000
Priority 5.3 Strengthen citizens' participation in development management of the SC						
Measure						
5.3.1 Improvement of civil dialogue and capacity building of civil society						150.000
Priority 5.4 Reducing corruption and crime, improving citizens' security, and strengthening the functioning of the rule of law						
Measure						
5.4.1 Improving citizens' safety						3,905,000
5.4.2 Reduce volume of gray economy						55.000
5.4.3 Protection and rescue system						4.000.000
Priority 5.5 Positioning the SC in the wider region and Europe						
Measure						
5.5.1 Creating and managing the brand of the Sarajevo Canton						400.000
Total Strategic Objective 5						18.192.300
TOTAL						1.397.257.700

Table 32. Funding sources for the achievement of strategic objectives (KM)

Priority objective	Budget of the SC and other sources of funding	Funds	Total
1.1	5.822.000		5.822.000
1.2	7.888.000	10.060.000	17.948.000
1.3	66.129.000		66.129.000
1.4	36.600.000		36.600.000
1.5	230.000		230.000
1.6	14.800.000		14.800.000
Strategic objective 1	131.469.000	10.060.000	141.529.000
2.1	68.100.000		68.100.000
2.2	2.450.000		2.450.000
2.3	4.368.000		4.368.000
Strategic objective 2	74.918.000	0	74.918.000
3.1	10.550.000		10.550.000
3.2	9.152.000	103.495.900	112.647.900
3.3	27.483.000		27.483.000
3.4	311.620.000		311.620.000
Strategic objective 3	358.805.000	103.495.900	462.300.900
4.1	72.150.000		72.150.000
4.2	41.500.000		41.500.000
4.3	14.357.500		14.357.500
4.4	572.310.000		572.310.000
Strategic objective 4	700.317.500	0	700.317.500

Priority objective	Budget of the SC and other sources of funding	Funds	Total
5.1	650.000		650.000
5.2	9.032.300		9.032.300
5.3	150.000		150.000
5.4	7.960.000		7.960.000
5.5	400.000		400.000
Strategic objective 5	18.192.300	0	18.192.300
Total	1.283.701.800	113.555.900	1.397.257.700

3 Institutional and organizational framework for the implementation of the Strategy

General vision

In order to strengthen the mechanism for implementation of development priorities within the KS as well as to create the possibility for more effective implementation of the strategic and priority objectives defined within the Integrated Development Strategy of the SC for the period 2016-2020, a development management system will be strengthened.

In accordance with the aforementioned, the SC will accept and apply practically a functional system comprising horizontal (between ministries) and vertical (between cantonal institutions, higher levels of government and local self-government units within the SC) coordination, immediate alignment of strategic planning and budget processes, as well as system implementation, monitoring and evaluation of development goals. The development management system will define responsible institutions, partnership mechanisms and key process steps, thus enabling more effective and efficient public administration, performance-oriented development and optimal absorption capacities for the use of external financial resources.

In this regard, there are complex tasks in front of the Development Planning Institute of the SC, integrated management development functions, overall technical coordination and consultation of all relevant actors involved in the development planning system, which implies the strengthening of institutional and human capacities in the SC.

Key principles and characteristics of the system Key principles and system characteristics

- The development planning within the SC will be based on a harmonized and standardized approach, consistent with the development priorities of the state and the FBiH and the enabling of integrated and sustainable socio-economic development of the SC.
- The Development Strategy of the SC will serve as a broader strategic framework for the development management system.
- The development strategies of the Canton (integrated and/or sectoral) and the associated local self-government units will be vertically coordinated (development priorities, programs/projects), providing a coherent socio-economic development platform for the SC area.
- The development management system will be characterized by a harmonized and interconnected approach to strategic planning, short-term operationalization of priorities, alignment with the budget and public investment program as well as implementation, monitoring and evaluation of the realization of priorities.
- The development strategies of the Canton and the related local self-government units, and specifically their operational programs and measures, will be complementary and will serve as a basis for attracting external financial resources (European Union, etc.) for their successful implementation.
- Development strategies at cantonal and local levels will serve as a platform for creating short-term (annual) plans of all relevant cantonal institutions, annual budget and public investment plans at cantonal and local level.

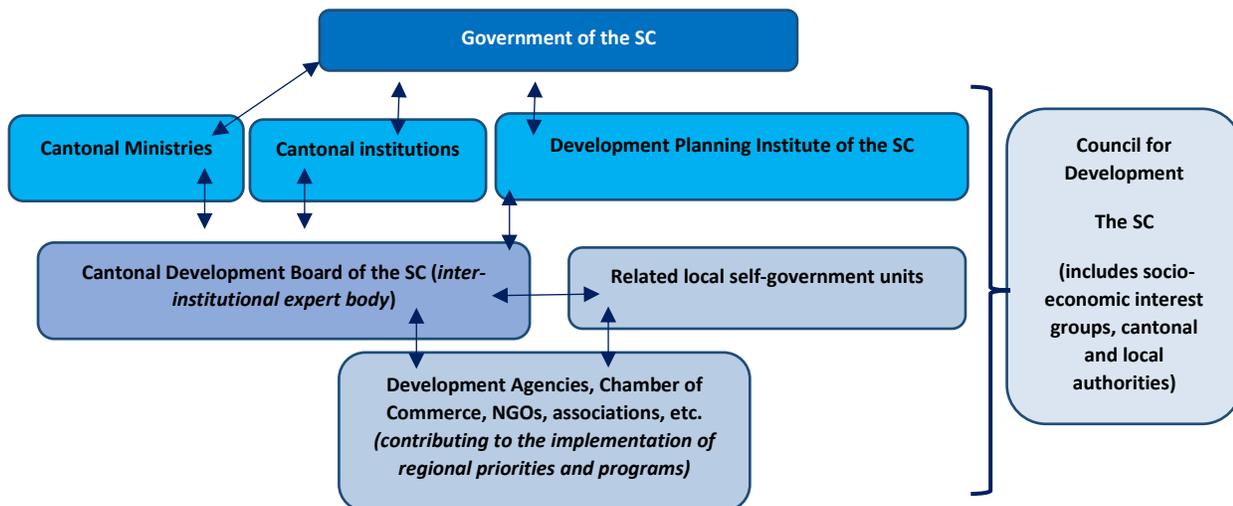
- Implementation based on the results of the identified annual priorities and strategic framework measures is ensured by all relevant cantonal institutions, supported and co-ordinated by the SC Development Planning Institute and implemented in partnership with local government units within the canton and other public, private and other partners.
- In order to establish the given system, the existing regulatory and institutional frameworks will be utilized and/or improved.

Key institutional partners of the systems, their functions and responsibilities

Given the complexity and integrated nature of the development management system in the SC, its institutional framework will be the Government of the SC, Cantonal Ministries and their competent structures responsible for planning and development management, the Development Planning Institute of the SC.

The following scheme represents the essence of the future overall institutional framework for managing the development of the SC:

Scheme 10. Institutional framework for development management of the SC



Government of the SC Within the development management system, the Government of the SC is responsible for: (I) adopting a development strategy, as well as other relevant strategic documents; (II) defining the management, implementation, monitoring and evaluation of strategic documents; (III) adoption of budget and public investment programs, in line with strategic development priorities; (IV) adoption of an annual plan of work based on the plans of work of cantonal institutions under a strategic framework; (V) adopting regulatory and administrative frameworks to ensure effective implementation of strategic documents and development priorities; (VI) initiating partnerships between local institutions of higher, cantonal and local levels of government as well as international partners so as to encourage the realization of development priorities; (VII) monitoring the implementation of strategic documents and reviewing the process; (VIII) ensuring a transparent and participatory planning of development and management in the Canton.

Cantonal Ministries and institutions. The cantonal ministries that will be directly involved in the development management system in the Canton are: Ministry of Finance, Ministry of Culture and Sports, Ministry of Justice and Administration, Ministry of Economy, Ministry of Physical Planning, Construction and Environmental Protection, Ministry of Transport, Ministry of Communal Economy and Infrastructure, Ministry of Internal Affairs, Ministry of War Veterans' Affairs, Ministry of Education, Science and Youth, Ministry of Labour, Social Policy, Displaced Persons and Refugees, and Ministry of Health.

The key functions of cantonal ministries (and relevant sectors), as well as other cantonal administrative bodies and cantonal administrative organizations within the development management system, include: (I) coordination and involvement in the process of developing integrated or sector cantonal strategies; (II) coordination with the relevant local self-government units in the process of drafting and implementing cantonal strategies; (III) preparation of annual/multi-annual work plan for the Ministry based on the adoption of strategic documents and their operational frameworks directly related to the budget and program of public investment of the Canton; (IV) ensuring the correctness of the implementation, monitoring and reporting processes in implementing the measures/priorities identified within the annual plan of work of a ministry/institution, based on the development objectives and indicators set within the relevant strategic framework; (V) use of the Public Investment Management Information System (PIMIS) in the process of preparation of the cantonal public investment program, based on specific priorities set out within the relevant strategic documents; (VI) exchange of information and interaction with the Development Planning Institute of the SC in the process of annual planning, budgeting, implementation, monitoring and implementation of development priorities.

Development Planning Institute of the SC Development Planning Institute of the SC, among other mandated functions, will play a key role in the canton development management system. Functions and competences of the Institute shall be defined by cantonal subordinate regulations. Within the framework of the development management system, the specific functions of the Institute will be: I) coordination and support in the process of developing integrated/sector cantonal strategies; (II) presenting the development planning process of the SC to higher levels of government and within relevant local self-government units; (III) support to cantonal institutions and co-ordination of annual and three-year work plans of the Ministries (based on relevant strategic documents serving as the basis for preparation of budgets and public investment programs); (IV) involvement in the elaboration of operational programs, on the basis of which Bosnia and Herzegovina becomes a beneficiary of EU budget access funds; (V) coordinating the strengthening of institutional capacities in all Ministries of the SC for strategic planning, and strengthening the role of civil society in the processes of development planning, implementation, monitoring and reporting on the implementation of development strategies at cantonal level; (VI) coordination of alignment and linking of development- with budget planning at cantonal level; (VII) cooperation on the preparation of development policies and public investment projects, in particular those that enable the implementation of adopted strategies; (VIII) monitoring the implementation of development plans and their harmonization, and conducting the preparation and publication of the annual report on the development of the SC.

Local self-government units within the SC. In accordance with local development strategies and using the forming of local planning and management units, local self-government units participate in the development management system as follows: (I) participation in the preparation of strategic documents of the Canton; (II) coordination of development and implementation of projects identified in the strategy of development of the local self-government unit in cooperation with the competent institutions within the local self-government unit, cantonal institutions, neighbouring units of local self-government and socio-economic partners, contributing to the realization of development priorities; (III) participation in the preparation of public investment programs of the Canton, based on local priorities and those identified within the SC Development Strategy; (IV) providing information and reports on the annual implementation of local strategies; (V) participation in partner development bodies in the SC (e.g. Cantonal Development Board and Council for Development)

Regional local development agencies. The regional development agencies (Sarajevo Economic Region Development Agency - SERDA), employers' associations, chambers of commerce and other actors have the following functions in the development management system of the SC: (I) support in the process of identifying, developing and implementing projects meeting the development needs of the region, in partnership with local self-government units, cantonal authorities, the private sector and socio-economic interest groups; (II) support the development of business ideas and *start-ups* in the region, as well as support for economic development and job creation; (III) provide information and co-operate with the Institute regarding the annual implementation of priorities and projects, which directly contribute to the implementation of cantonal development strategies; (IV) participate in partner development bodies of the SC (e.g. Cantonal Development Board and Council for Development)

Key partner bodies for development, their functions and responsibilities

Key partner institutions in the SC are: Cantonal Development Board and Council for Development.

Cantonal Development Board is the key body in developing strategy, monitoring and reviewing the process. It includes representatives of all Ministries, socio-economic partners, Municipalities and the City, SERDA and non-governmental sector. As such, the Development Board is responsible for: (I) coordinating the process of planning and securing key strategic inputs throughout all phases of the planning process; (II) advisory support in the process of co-ordinating the three-year and annual plans of the institutions according to the development priorities and measures identified within the framework of integrated or sectoral development strategies, in accordance with the principle "1+2"; (III) advisory support in the process of coordinating the elaboration and implementation of projects identified in the development strategy, in cooperation with relevant federal, cantonal ministries/institutions, neighbouring cantons and units of local self-government within the canton, which contribute to the realization of development priorities; (IV) advisory role in the process of aligning the budget and the public investment program with the development priorities defined in the adopted strategic documents; (V) coordinating the monitoring, evaluation and reporting process on the implementation of integrated/sectoral development strategies.

Cantonal Council for Development. The Cantonal Council for Development will be a consultative partner body, which ensures the engagement and contribution of a broader number of interest groups, not only in the strategic planning process, but also in monitoring the strategy implementation process.

The Cantonal Council for Development is a cantonal governmental body that has an advisory role in the process of defining, implementing, monitoring, evaluating and reporting on the realization of development priorities in the Canton and acting in accordance with the principles of partnership and cooperation. The Cantonal Council for Development consists of: Prime Minister, Municipal Mayors, City Mayor, Trade Union representatives, employers, academic communities, NGOs and other relevant stakeholders. With a special act, the Cantonal Government determines the composition and number of members, the manner of work of the Cantonal Council for Development and the performance of administrative and technical tasks, taking into account the equal representation of the sexes.

The main functions of this body within the development management process will include: (I) regular meetings (at least twice a year) to ensure discussions in the process of strategy implementation, discussions of annual priorities and financial mechanisms, etc.; (II) providing recommendations for the strategic priorities of the SC to be included in the planning and development processes at federal and state level; (III) discussions on development priorities and initiatives that require joint action by different cantonal and local institutions in accordance with cantonal development strategies; (IV) discussions and recommendations for regional social, economic and environmental projects/priorities and potentials; (V) serves as a participatory platform for discussion for all interest groups providing ideas and suggestions for development, and linking the public, private and civil sector in joint action.

Key steps in the annual process of development management system in the SC

(1) Development of Action Plan for Strategy implementation

(2) Three-year (3 year) and annual work planning in ministries and public institutions in the SC according to the development priorities and measures determined by the cantonal strategy/other sectoral strategies as well as the regular functional responsibilities of the cantonal institutions and represents the basis for the preparation of the budget proposals and public investment program of the SC.

(3) Draft three-year and annual plans are considered by the Cantonal Development Board and the Council for Development before the final submission to the Government of the Canton.

(4) Annual plans of cantonal institutions represent the annual SC Government Work Program. The Work Program of the SC Government is compatible with budget and public investment program.

(5) The current implementation of annual plans (measures and programs) by all cantonal ministries and institutions (including procurement processes, publication and management of *grant schemes*, etc).

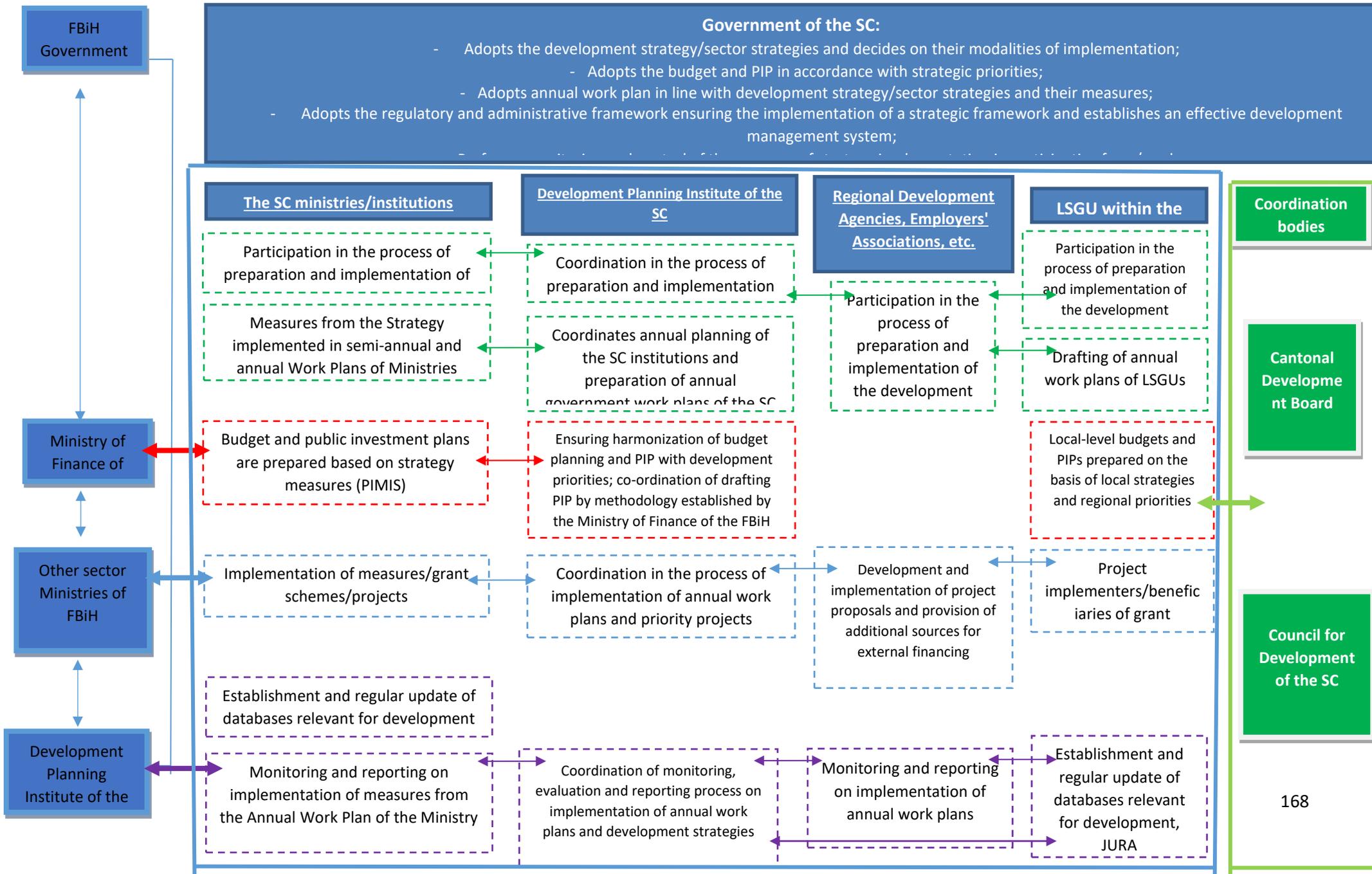
(6) All competent institutions in the SC conduct regular collection of data necessary for monitoring, evaluating and reporting on the implementation of measures and programs from annual plans.

Preliminary identification of bylaws needed to support the development management system in the SC

The existing regulatory and institutional framework can be further developed and expanded within the existing legal acts, ensuring the functionality, effectiveness and internal coherence of the system:

- Decree on medium-term and annual planning, monitoring and reporting of cantonal institutions in the SC;
- Further strengthening the function for managing the development of the system within the respective local self-government units.

Scheme 11. Structure of the Development Management System of the SC



4 Plan of monitoring, reporting, evaluation and revision of the Strategy

Monitoring and evaluation are basic management tools that do not only help in the reporting process but provide a basis for future planning and review of strategic documents. While monitoring is systematic and continuous collection, analysis and use of data and indicators for the purpose of measuring the progress of achievement of the set goals/programs/projects and progress in using the allocated resources and taking appropriate measures with the aim of possible corrections, evaluation is a process that determines the value and significance of the intervention, i.e. of the program, project or overall development strategy, according to defined criteria.

Monitoring includes both the achievement of the objectives from the SC Development Strategy, and the implementation of institutional plans of cantonal ministries and institutions in the SC. Monitoring will be performed annually, in the form of an annual report on the degree of implementation of the strategy and the overall level of the SC development. Development Planning Institute of the SC will prepare the Annual Development Report of the SC. The aim of this document is to overview the progress of the SC over a one-year period and the degree of contribution to achieving strategic objectives and priorities from the SC Development Strategy. The Development Report monitors the structure of the SC Development Strategy, and the basic elements are: indicators and measures of performance, description of the situation by area, reasons for the described situation, recommendations for the improvement of the situation by area and greater contribution to the implementation of the set strategic objectives.

The Development Planning Institution of the SC will monitor the degree of implementation of strategic and priority objectives through impact indicators and outcome indicators.

Monitoring of implementation of the Development Strategy of the SC will be carried out through three types of indicators presented in the following table:

Table 33. Indicators of monitoring the implementation of the Development Strategy of the SC

Level of strategic objective	Impact indicator
Level of priority objective	Outcome indicator
Level of measures and projects	Direct result indicator

In addition to the above mentioned, the Development Planning Institute of the SC performs tasks related to: horizontal and vertical coordination of planning and reporting, participates in the drafting of the work program of the SC Government for the mandate period and coordinates the evaluation of progress in its implementation, participates in the drafting of the work program and work reports of the SC Government, and solving the disputed issues related to the alignment of the work plans and reports on the work of cantonal ministries and institutions and implementation of the annual work program of the SC Government, coordinates the preparation of the annual report on the work of the Government of the SC.

List of Tables

S/N	Name of the Table	pg.
1.	Population 2009-2014.	15
2.	Vital Characteristics of the Population (rates in per mille)	16
3.	Comparative Indicators of Sarajevo Canton and Federation of BiH, 2014	20
4.	Level of Cantonal Development in FBiH in 2014	22
5.	Unemployment rate in the KS in the period 2009-2013.	25
6.	Exports by area of activity classification in the SC in the period 2010-2013.	27
7.	Payments for investments in the SC by activities and basic sources of funding in 2014 (in 000 KM)	29
8.	Number of students in primary schools by years	30
9.	Employment by professional education level, in the SC, situation as at 31 March	31
10.	Overview of beneficiaries and funds allocated for social protection, civilian victims of war and protection of families with children (average monthly)	32
11.	Overview of pollutants and number of pollution reports, and the number of exceeded emission values in the SC	34
12.	Summarized overview of emissions by source types	34
13.	Overview of public water supply systems in the SC	34
14.	Results of SWOT analysis for the economy sector of the SC	39
15.	Results of SWOT analysis for the social sector of the SC economy	41
16.	Results of the SWOT analysis for environment and public infrastructure of the SC	42
17.	Compatibility of Strategic objective No. 1 with higher level strategic documents	60
18.	Compatibility of Strategic objective No. 2 with higher level strategic documents	60
19.	Compatibility of Strategic objective No. 3 with higher level strategic documents	60
20.	Compatibility of Strategic objective No. 4 with higher level strategic documents	61
21.	Compatibility of Strategic objective No. 5 with higher level strategic documents	61
22.	Budget expenditures realized in the period 2009-2014	62
23.	Basic Indicators of PIP SC in 2009 and 2014	65
24.	Recapitulation of the number of measures and projects according to objectives	68
25.	Strategic objective 1 Synthesizing overview of priority objectives, measures and projects	69
26.	Strategic objective 2: Synthesizing overview of priority objectives, measures and projects	92
27.	Strategic objective 3: Synthesizing overview of priority objectives, measures and projects	100
28.	Strategic objective 4: Synthesizing overview of priority objectives, measures and projects	122
29.	Strategic objective 5: Synthesizing overview of priority objectives, measures and projects	141
30.	Total possible allocations for development programs of the Canton Development Strategy	158
31.	Indicative financial framework by measures	159
32.	Funding sources for the achievement of strategic objectives (KM)	162
33.	Indicators of monitoring the implementation of the Development Strategy of the SC	169

List of Figures

S/N	Name of the Figure	pg.
1.	The SC and BiH in Europe	14
2.	Population density (inh/km ²) by municipalities of the SC, in 2014	15
3.	The Sarajevo Canton in the Federation of BiH and in Bosnia and Herzegovina	17
4.	The Sarajevo Canton	18

List of Graphs

S/N	Name of the Graph	pg.
1.	Participation of sectors in job creation in the SC and FBiH, 2014 (in %)	25
2.	Location quotients of activity in the SC towards FBiH by employment, March 2014.	26
3.	Results of SWOT analysis for the economy of SC	40
4.	Overview of results of SWOT analysis for the social sector of the SC	42
5.	Overview of results of the SWOT analysis for environment and public infrastructure of the SC	43
6.	Total planned and realized revenues for the period 2009-2014. (in million KM)	62
7.	Structure of tax revenues in 2009 and 2014 (%)	62
8.	Structure of current transfers in 2009 and 2014 (in million KM)	63

List of Diagrams

S/N	Name of the Diagram	pg.
1.	Overview of the model of synthesis of results of SWOT Analysis	23
2.	Link between strategic challenge and strategic focus	46
3.	Link between strategic focus and strategic objectives in the SC	49
4.	Link between priority objectives and strategic objective 1	50
5.	Link between priority objectives and strategic objective 2	52
6.	Link between priority objectives and strategic objective 3	54
7.	Link between priority objectives and strategic objective 4	56
8.	Link between priority objectives and strategic objective 5	58
9.	From vision to project	68
10.	Institutional framework for development management of the SC	164
11.	Structure of the Development Management System of the SC	168

Enclosures

Enclosure 1. Excerpt from reference planning documents

At the regional level, Bosnia and Herzegovina joined the South East Europe Transport Observatory (SEETO), identified as a temporary extension of the Trans-European Transport Network (TENT) in the Western Balkans region, and joined the objectives of the South East Europe 2020 Strategy (SEE 2020) and the Compact for Growth and Jobs in Bosnia and Herzegovina.

Bosnia and Herzegovina is part of two EU macroeconomic strategies, namely the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and Ionian Region (EUSAIR). These strategies are also aimed at linking EU member states and non-EU member states in addressing common challenges and opportunities in the said macro-region. The strategies are aimed at improving the linkage between transport and energy networks, better environmental protection, sustainable tourism activities and measures for socio-economic development in a geographically specific context, and are also intended to improve cooperation with EU member states and facilitate the preparation of candidate countries and potential candidates for EU integration.

1 EUROPE 2020 European strategy for smart, sustainable and inclusive growth

The European Commission proposes five measurable EU targets for 2020 that will direct the process and be translated into national targets: for employment, for research and innovation, climate change and energy, education and the fight against poverty. They represent the direction we should follow and will mean that we can measure our success.

The Europe 2020 Strategy proposes three mutually complementary priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering economic, social and territorial cohesion.

Smart growth – an economy based on knowledge and innovation

- Smart growth means strengthening knowledge and innovation as drivers of our future growth. This requires improving the quality of our education, strengthening our research performance, promoting innovation and knowledge transfer throughout the Union, making full use of information and communication technologies and ensuring that innovative ideas can be turned into new products and services that create growth, quality jobs and help address European and global societal challenges. To succeed, this must be combined with entrepreneurship, finance, and a focus on user needs and market opportunities.

Sustainable growth – promoting a more resource efficient, greener and more competitive economy

- Sustainable growth means building a resource efficient, sustainable and competitive economy, exploiting Europe's leadership in the race to develop new processes and technologies, including green technologies, accelerating the roll out of smart grids using ICTs, exploiting EU-scale networks, and reinforcing the competitive advantages of our businesses, particularly in manufacturing and within our SMEs, as well through assisting consumers to value resource efficiency. Such an approach will help the EU to prosper in a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. It will also underpin economic, social and territorial cohesion.

Inclusive growth – a high-employment economy delivering economic, social and territorial cohesion

- Inclusive growth means empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training and social protection systems so as to help people anticipate and manage change, and build a cohesive society. It is also essential that the benefits of economic growth spread to all parts of the Union, including its outermost regions, thus strengthening territorial cohesion. The goal is to ensure access and opportunities for all

throughout the lifecycle. Europe needs to make full use of its labour potential to face the challenges of an ageing population and rising global competition. Policies to promote gender equality will be needed to increase labour force participation thus adding to growth and social cohesion.

2 Priorities of the Compact for growth and jobs)

1. **Taxes on jobs:** Reduce the labour cost and get it closer to the EU average which is at about 35%, through a combination of reducing current government expenditures and broadening the tax base (e.g. include tax on property, increase VAT rate), reform the costs related to health and pension insurance systems.
2. **Reducing barriers to jobs:** Reform the labour market, through the introduction of wage system based on individual skills and contribution to performance, reduction of administrative procedures and harmonization of labour legislation, reform the process of collective bargaining, actively include young people through various forms of "temporary jobs".
3. **Business climate:** Eliminate all the factors that puts BiH at the 131st place in "Doing Business", reducing the time needed for licensing and start-up procedures, introduce tax incentives.
4. **Enterprises:** Strengthen the extremely weak private sector, legally protect investors, introduce the key leverage of corporate governance, improve access to financial resources, especially for new enterprises, change the insolvency legal framework.
5. **Corruption:** legal state and public administration reform.

3 South East Europe Development Strategy by 2020 (SEE 2020 Strategy)

As key objective of the Strategy we can mention achieving a high and sustainable economic development, and thus fostering greater economic growth in the region, greater prosperity and job creation, all through strengthening of regional cooperation and links with the EU.

The key development pillars of the SEE 2020 Strategy are:

Integrated growth - implies greater scope for foreign trade and investment at regional level, in a non-discriminatory, transparent and predictable manner. So, the goal to be achieved by this development pillar is the greater volume of goods, investments, services and people in the region. This also contributes to the further integration of the region into the European and global economy, through increased participation in international supply chains.

Within the framework of Integrated Growth, the Strategy has defined three key dimensions:

- Dimension A "Free Trade Area"
- Dimension B "Competitive Economic Environment"
- Dimension C "Integration into the Global Economy"

Smart Growth - relates to committing to innovate and compete on value-added rather than labour costs. The main objective of this development pillar is to stimulate knowledge-based growth in all the countries of the region. Innovation and knowledge are considered to be a major competitive advantage.

Within the framework of this development pillar, we differentiate the following dimensions:

- Dimension D "Education and Competences"
- Dimension E "R&D and Innovation"
- Dimension F "Digital Society"
- Dimension G "Cultural and Creative Sectors"

Sustainable Growth - highlights the need to raise the level of private sector competitiveness and implement energy efficiency policy in SEE countries. The dimensions in this pillar are:

- Dimension H "Energy"
- Dimension I "Competitiveness"

Inclusive growth - greater emphasis on skills development, new job creation, better health conditions. The aim of this development pillar is to improve the employment process through skills development, job creation in the labour market and participation of all, including vulnerable groups and minorities, on the labour market. In fact, it means fighting the poverty, modernizing the labour market and the education system. In this development pillar the following dimensions differ:

- Dimension J "Employment"
- Dimension K "Health"

Governance for Growth - this implies increasing the capacity of the state administration to increase its efficiency, strengthening the rule of law and combating corruption, all in order to create a business environment and provide public services essential for economic development. This represents a pervasive component and prerequisite for effectively achieving the goals of the Strategy, as well as measures and instruments in all pillars.

- Dimension L "Effective Public Services"
- Dimension M "Anti-corruption"
- Dimension N "Justice"

4 EU Strategy for the Danube Region - The Danube Region Strategy

The Danube Region Strategy encompasses 14 Danube River Basin states: Germany (the federal states of Baden-Württemberg and Bavaria), Austria, Slovakia, Hungary, Croatia, Serbia, Romania, Bulgaria, Moldova, Ukraine, Czech Republic, Slovenia, Bosnia and Herzegovina, and Montenegro. The total population of the region is over 110 million inhabitants. The Draft Danube Region Strategy was adopted at the College of the European Commission on 8 December 2010. The Strategy consists of two documents: 1 Communication of the European Commission to the European Parliament, the Council of the European Union, the European Economic and Social Committee and the Committee of the Regions on the EU Strategy for the Danube Region; 2. the corresponding Action Plan. The Strategy was adopted at a meeting of the European Council on 24 June 2011. The principle of "3 NOs" is the fundamental principle of implementing macro-regional strategies of the EU - no to new institutions, no new funds, and no new legislation. The EU Strategy for the Danube Region should therefore be developed and implemented without new sources of funding, solely through existing structures and institutions and without the adoption of new legal frameworks and instruments.

Fields of Cooperation of the EU Strategy for the Danube Region

During the period of extensive public consultations of the European Commission with the Danube Strategy stakeholders, from autumn 2009 to June 2010, four main objectives were identified, namely the pillars of cooperation through eleven priority areas within the Strategy:

- I Connectivity of the Danube Region
 - To improve mobility and intermodality of transport
 - 1a - inland waterways
 - 1b - railway, road and air transport
 - To encourage the development of sustainable energy sources
 - To strengthen cultural cooperation, tourism and contacts between people
- II Preservation of the environment in the Danube Region
 - To preserve water quality
 - Environmental risk management
 - To preserve biodiversity, landscapes and the quality of air and soils
- III Building prosperity in the Danube Region

- Development of knowledge-based society through research, education and information technology
 - Strengthening competitiveness of entrepreneurship and development of economic clusters
 - Investing in People and Skills
- IV Strengthening institutional capacities and security in the Danube Region
- To strengthen institutional capacities and cooperation
 - Joint consideration of security issues and the fight against organized crime

5 Adriatic-Ionian Strategy for the faster development of the Region

Strengthening development, but also faster integration of the Western Balkans into the EU, are the goals of the new European Strategy for the Adriatic-Ionian Region. "Joint working on priorities is the way for faster progress of the region"

The Adriatic-Ionian Initiative currently brings together eight countries in the region, four of which are members of the EU (Greece, Italy, Slovenia, and Croatia) and four Western Balkan countries (Albania, BiH, Montenegro, and Serbia). Announcing that by end-2014, the EU Council should approve a strategy program to immediately embark on its implementation, European Commissioner for Regional Cooperation Johannes Hahn stated: "The states within the Adriatic-Ionian Strategy should look up to already functional strategies for the Danube and Baltic regions, primarily focusing on several priorities with strong political leadership in order to show the results. At the same time, cooperation between the EU Member States and neighbouring non-members could play a significant role in the integration of the Western Balkans into the EU."

The Adriatic-Ionian Region currently comprises eight states with 70 million inhabitants. The strategy program is based on four points:

- The first is so-called "Blue Growth", which includes the promotion of sustainable fisheries and maritime economic growth, coordinated by Greece and Montenegro.
- Priority is then placed on Connecting the Region in the area of transport and energy, to be coordinated by Italy and Serbia.
- There is also a question of Environmental Quality, which focuses on marine and land biodiversity and the fight against pollution of the sea, which is coordinated by Slovenia and BiH.
- The fourth point of the European Strategy for the Adriatic-Ionian Region refers to Sustainable Tourism, which should be coordinated by Croatia and Albania, and work to strengthen the tourism potential of the region through innovation, strengthening tourism companies and opening new jobs.

6 Reform agenda for Bosnia and Herzegovina 2015-2018

The Council of Ministers of Bosnia and Herzegovina and the Governments of the Federation of Bosnia and Herzegovina, the Republika Srpska, the governments of: Una-Sana Canton, Posavina Canton, Tuzla Canton, Zenica-Doboj Canton, Bosnia-Podrinje Canton, Central Bosnia Canton, Herzegovina-Neretva Canton, West Herzegovina Canton, Sarajevo Canton, Canton 10 (West Bosnia Canton), and the Government of Brčko District recognise an urgent need to initiate a process of rehabilitating and modernising the economy with a view to: fostering sustainable, efficient, socially just and steady economic growth; creating new jobs; increasing and more-appropriately targeting social assistance; and creating a favourable and just social environment. The Reform Agenda for BiH was prepared in this direction, which was supported by the BiH Council of Ministers at a session held on 23 July 2015.

The agenda is to strengthen sustainable, efficient and stable economic growth and create a just social environment.

The economic reform agenda represents an essential instrument for the economic and social development of BiH and creates the preconditions for accelerating the process of BiH integration into the European Union.

Concrete actions aimed at fiscal and financial sustainability and socio-economic reform will be augmented by targeted measures, to strengthen the rule of law and the fight against corruption, with strengthening of administrative capabilities and increasing of efficiency in public institutions at all levels of government.

Implementation of the Reform Agenda will begin immediately. A broad set of medium-term priorities will be distilled into specific initial measures and undertakings that will be prepared and implemented during the remainder of 2015 and in early 2016 individually with each institution. These initial measures and undertakings will be further refined in consultation with the IFIs and the EU and will lead to follow-up specific measures that will bring the Reform Agenda beyond its initial horizon and into the medium term.

The Reform Agenda is expressed in six areas of importance as follows:

- Public finances, taxation and fiscal sustainability
- Business climate and competitiveness
- Labour market
- Social welfare and pension reform
- Rule of law and good governance
- Public administration reform

Enclosure 2 Funds from international funds

1 Cross Border and Transnational Cooperation Programs

1.1 Interreg IPA cross-border cooperation program Croatia -Bosnia and Herzegovina - Montenegro

The Interreg IPA Cross-Border Cooperation Program Croatia-Bosnia and Herzegovina-Montenegro will be implemented in the 2014-2020 financial period within the framework of IPA II. Namely, bilateral IPA programs Croatia-Montenegro and Croatia-Bosnia and Herzegovina established for the period 2007-2013 will not be resumed as separate, but one program has been established that brings together cross-border cooperation between all three countries. The eligible area of the new Program thus encompasses the cross-border area between Croatia, Bosnia and Herzegovina, and Montenegro.

The Sarajevo Canton is not in the eligible area of this trilateral program.

<http://www.arr.hr/eu-programi-2014-2020/ipa-program-prekogranicne-suradnje-hrvatska-bosna-i-hercegovina-crna-gora>

1.2 Cross-border cooperation Serbia - BiH

The third call was published in April, whereby all two year funds for both countries were allocated for eliminating flood damage last year. Eligible applicants are civil protection organizations, public utility organizations, local communities...

http://srb-bih.org/?page_id=15

1.3 Interreg MED (Mediterranean Transnational Program) 2014-2020

The continuation of this program will be available in this medium-term period for IPA countries (Albania, BiH and Montenegro), under the same conditions of their pre-financing and local participation of 15%. Total for all 3 IPA partners around 9 million Euros for the whole period.

http://www.programmemed.eu/fileadmin/PROG_MED/MED_2014_/MED_Programme_2014-2020.pdf

1.4 Interreg ADRION (Adriatic-Ionian macro-region 2014-2020)

The former SEE program (South East Europe) was divided into three programs, of which BiH can apply in the Adriatic and Ionian and the Danube Region programs.

http://www.southeast-europe.net/en/about_see/adriaticionianprogramme/

1.5 Interreg Danube Transnational Program (Danube Macro-Region 2014-2020)

The former SEE program (South East Europe) was divided into three programs, of which BiH can apply in the Adriatic and Ionian and the Danube Region programs.

http://www.southeast-europe.net/en/about_see/danubeprogramme/

2 European Union programs in which BiH can participate in the period 2014-2020.

For the EU programs, a common user site has been established for everyone to sign up, search for partners and supplement their data and references. The program and application process is run by the Education, Audiovisual and Culture Executive Agency - EACEA, Brussels, and there are programs:

2.1 Erasmus +

Supports actions in the field of education, youth training and sports - started on 1 January 2014 (14.7 billion Euros).

It has consolidated 7 existing programs:

LLL, Erasmus, Leonardo da Vinci, Comenius, Grundtvig, Youth in Action, Erasmus Mundus, Tempus, Alfa, Edulink, and added new sports activities.

Activities are carried out at a centralized (EACEA) and decentralized (national agency) level - we do not have an agency (like Macedonia and Turkey). BiH participates in applications to the EACEA in two ways:

General Call for Proposals (published in the Erasmus+ Guide) and Specific, targeted calls.

Details can be found on the website of the Agency.

2.2 Creative Europe

It supports actions in the field of European audiovisual, cultural and creative sectors - started on 1/1/2014. It has consolidated 3 existing programs:

Culture, MEDIA and MEDIA Mundus Programmes. Funds for 7 years 1.46 billion Euros

Sub-programme CULTURE (455 million Euros until 2020):

European cooperation (smaller financing up to 200,000 EUR, duration 18 months, 60% EU co-financing - larger financing up to 2,000,000 EUR, duration of 48 months, 50% co-financing) - European networks (up to 250,000 EUR per year, duration 24 months, 80% EU co-financing) - European platforms (up to 500,000 EUR per year, duration of 24 months, 80% EU co-financing) - Literary translation (two-year financing up to 100,000 EUR, duration of 24 months, 50% EU co-financing - long-term financing up to 100,000 EUR per year, duration up to the end of the period, 50% co-financing).

Calls are published every year from June to October for the next year.

Subprogram MEDIA (audiovisual media):

Developing movie audience, viewers (total 1.9 million EUR, 60% co-financing) - Video game development (a total of 2.5 million EUR, for concept 10.000 - 50.000, and for development of 10.000 - 150.000 EUR, 50% co-financing) - Development of production and authors' works (total 1.5 million EUR max. 400,000 Euros, 80% co-financing) - Education and training (total 7.5 million EUR, 80% co-financing) - Access to markets (distribution) - Film festivals (total 3.25 million EUR, between 19,000 EUR and 75,000 EUR per individual project - lump-sum co-financing) - Raising the quality of TV programs (total 11.8 million EUR, 300.000 to 1.000.000, depending on production, 20% co-financing)

2.3 Europe for citizens

It supports actions in the area of European memory and strengthening of civil participation at European level - started in 2012 and continued in 2014, finally adopted on 14 April 2014). The Program finances the following types of activities:

- Raises values of remembrance of common history (peace)
- Encourages citizen's democratic participation in EU policy making (network of cities, twinning, civil society projects)
- Operational grants (understanding Europe and common history, development of European citizenship)

http://eacea.ec.europa.eu/index_en.php

2.4 Horizon 2020 Framework Program

The program supports research and development in the widest terms (4 pillars) - It replaced FP7 and CIP/EIP Programs - Implemented from 2014 to 2020 NCP BiH Mr Ammar Mirascija - B&H (National NCP Coordinator) Ministry of Civil Affairs of BiH.

PILLAR 1: Excellent Science covers 4 areas:

- Activities of the European Research Council (ERC), funding for talented and creative individual researchers and teams in the area of the most promising achievements in border areas of science
- Future and Emerging Technologies (FET) for financing cooperation on transnational and trans-sectoral Researches
- Marie Skłodowska-Curie - Developing skills of researchers on the cross-sectoral platform
- Research Infrastructures - Research infrastructure development for 2020 and onward, supporting innovation and development of human resources

PILLAR 2: Industrial Leadership - Strategic Investment in Key Technologies

Leadership in Enabling and Industrial Technologies (LEIT) - ICT, Nano-technologies, Advanced Materials, Advanced Production and Processes, Bio Technology, Universe

Access to risky financing - bridging debts in R&D with extremely innovative companies' budgets

Innovation in SMEs - stimulating all kinds of innovations in companies with high potential for growth - with high quality innovative ideas

PILLAR 3: Societal Challenges

- Health, demographic change and wellbeing
- Food security, sustainable agriculture and forestry, marine and maritime and inland water research, and the Bioeconomy
- Secure, clean and efficient energy
- Smart, green and integrated transport
- Climate action, environment, resource efficiency and raw materials
- Europe in a changing world - inclusive, innovative and reflective societies
- Secure societies - Protecting freedom and security of Europe and its citizens

Since HORIZON is very wide and comprehensive, it is necessary to undertake the following preliminary actions: After detailed studying of open calls, determine the priority preliminary actions for the Sarajevo Canton in 4 steps:

- In consultation with NCP choose the appropriate call;
- According to the chosen area and goals, find the appropriate partner (PP site or EEN);
- Create account and register subject to PP;
- Submit application

Overview of the European Union Programmes 2014-2020

Field	Name of the programme 2014-2020.	Total budget (euro)
Science and Innovation	Horizon 2020 Framework Programme for Research and Innovation	77 billion
Competitiveness and Entrepreneurship	COSME Programme for enterprise competitiveness and SMEs	2.2 billion
Education, training, youth and sport	Erasmus+	14 billion
Culture and audiovisual activities	Creative Europe	1.4 billion
Civil society	Europe for Citizens	185 million
Social policy	Employment and Social Innovation Programme	919 million
Rights and non-discrimination	Rights, Equality and Citizenship Programme	439 million
Health care	Health for Development	449 million
Consumer protection	Programme for Consumers	449 million
Environmental protection	LIFE Environment and Climate Action program	3.4 billion
Customs policy	Customs 2020	522 million
Fiscal policy	Fiscalis 2020	223 million
Finances	Pericles 2020	7 million
	Hercule III	104 million
Justice	Justice	378 million
Migration	Asylum, Migration and Integration Fund	3 billion
Security	Internal Security Fund (border and visa component)	2.7 billion
	Internal Security Fund (police component)	1 billion
Civil Protection	Union's Civil Protection Instrument	368 million
Trans-European networks (energy, transport, communications)	Connecting Europe Instrument	33 billion
Satellite systems	Galileo	7.1 billion
	Copernicus	4.2 billion
Environment and Climate Action programme	LIFE	3.4 billion

These are basic funds and framework programs available to BiH entities. As the required changes and reforms (unified coordination, standardization of food production control, etc...) are met, other specific and targeted EU funds and bilateral funds will be opened for BiH, including the largest ones of Swiss government (implemented by SDC), the Swedish Government (SIDA), the Japanese Government (JICA) and the US Government (US Aid) and of other smaller donors.

I hereby certify that the above translation is a faithful and complete translation of the original document written in Bosnian language.

Reg. Number: 524/II; Place: Sarajevo

Date: 20 September 2017

ADISA MUJIĆ

Certified Court Interpreter for English Language