

**LOCAL ECONOMIC DEVELOPMENT
STRATEGIC PLANNING AND PRACTICE
CASEBOOK**

**WITH CASES FROM
SMOLYAN MUNICIPALITY, BULGARIA
CITY OF REZEKNE, LATVIA
CITY OF POPRAD, SLOVAK REPUBLIC**

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TABLE OF CONTENTS

DISCLAIMER	i
INTRODUCTION TO CASEBOOK.....	3
OVERVIEW OF LED STRATEGIES	4
CITY OF SMOLYAN.....	6
INTRODUCTION.....	8
LOCAL ECONOMY ASSESSMENT	13
DEVELOPING THE LED STRATEGY	23
SWOT ANALYSIS.....	24
CITY OF SMOLYAN ‘VISION TO PROJECTS’ MATRIX	25
CITY OF SMOLYAN PROJECTS MATRIX.....	29
CITY OF SMOLYAN LED PROJECT IMPLEMENTATION PLAN.....	35
STRATEGY IMPLEMENTATION.....	37
MONITORING AND EVALUATION OF THE STRATEGY IMPLEMENTATION	45
CITY OF SMOLYAN – EXAMPLES OF LED PROJECT ACTION PLANS.....	47
CITY OF REZEKNE.....	60
INTRODUCTION.....	62
LOCAL ECONOMY ASSESSMENT	67
DEVELOPING THE LED STRATEGY	75
SWOT ANALYSIS.....	75
VISION TO PROJECTS MATRIX.....	78
CITY OF REZEKNE PROJECTS MATRIX	80
LED PROJECT IMPLEMENTATION PLAN.....	81
CITY OF REZEKNE LED PROJECTS	81
STRATEGY IMPLEMENTATION.....	84
LED PROJECT ACTION PLANS	88
CITY OF POPRAD	98
INTRODUCTION.....	100
LOCAL ECONOMY ASSESSMENT	108
DEVELOPING THE LED STRATEGY	115
POPRAD LED ‘VISION TO PROJECTS’ MATRIX	118
POPRAD PROJECT IMPLEMENTATION PLAN.....	124
CITY OF POPRAD LED ACTION PLANS.....	126

INTRODUCTION TO CASEBOOK

When asked what is the most serious problem facing their community, most Mayors will include unemployment at or very near the top of the list. This was clearly the case when, as the World Bank and Bertelsmann Foundation were starting the Cities of Change program in 1999, participating Mayors were asked what policy issue they would most want see addressed in the pilot Cities of Change program. Mayors wanted to know how they could reduce unemployment and poverty in their municipalities. As a result of this interest, the local economic development cluster emerged.

In 1999, at the beginning of the program, the concept of LED strategic planning was relatively new in Central and Eastern Europe, the Baltics and Balkans, but also comparatively new in Europe. Where good practice had been developed, it had only infrequently been published and there were relatively few capacity building and knowledge products available in the public domain to enable local governments and their partners to learn how to develop their own LED strategies. The Cities of Change program aimed to help the LED cluster cities to design and implement their own LED strategies. A core task of the program was to develop practical knowledge products that could be used by municipal governments and communities to understand, design and implement integrated LED strategic planning.

As a practical product of the program, this LED Strategic Planning and Practice Casebook seeks to help the reader understand municipal approaches to LED strategic planning by identifying good practice in strategic planning methodology. The Casebook serves as a collection of three local economic development strategies that provide examples of good practice from across Europe and from the Cities of Change network. The Casebook also contains good practice notes and comments.

Most municipalities are tempted to develop long and highly detailed strategies, however, if the process is to be truly effective and output-oriented, the key is to develop short, well written strategies that are inclusive and encourage stakeholder involvement and input. As this Casebook demonstrates, the link between the evidence base, strengths, weaknesses, opportunities and threats, and the vision, goals, objectives, programs and projects needs to be fully understand if a community is to develop an LED strategic plan. The strategies contained in this Casebook each demonstrate strong linkages between the evidence base and LED strategic aims.

Further information of LED Strategic Planning can be found at www.worldbank.org/urban/led where additional LED resources and case studies are available. The Cities of Change Web site (www.citiesofchange.net/) also lists the key resources and information about the pilot cities, strategic management more broadly, and environmental management.

OVERVIEW OF LED STRATEGIES

This LED Strategic Planning and Practice Casebook has been compiled to provide examples of LED strategies and action plans that are comprehensive, well structured and integrated in their approach to improving the potential for local economic growth. The primary objective of the Casebook is to highlight good practice in LED strategic planning so that the lessons identified can be replicated and applied by other municipalities and cities in their efforts to develop their local economy. In compiling these strategies, a key aim is to showcase the benefit of devising an integrated LED strategy with appropriate programs and projects so as to create better conditions for lasting economic growth and employment generation.

These strategies were developed in countries with very different levels of economic development and with varying degrees of decentralization. The purpose is to show that even in the most challenging situations, local government in partnership with the business community and other stakeholders can start to improve the conditions that will enable businesses to grow faster and better. We hope these strategies will serve as an incentive for other municipalities to think seriously about how they can develop better business enabling environments.

City of Smolyan Local Economic Development Strategy, Bulgaria

- Written by the City of Smolyan municipal team and produced as part of the Cities of Change initiative, a joint program of the World Bank and the Bertelsmann Foundation, this LED strategy reflects the efforts of the City of Smolyan to initiate and develop a comprehensive and structured LED strategy.
- In pursuing a step-by-step approach that covers the five key stages of strategy development, the strategy includes a comprehensive breakdown of the municipal budget and provides a thorough local economy assessment.
- It contains a visions to projects matrix that outlines the sequential nature of the LED strategy making process, and provides the specific and necessary details for each project.
- Usefully, the strategy implementation section contains a multiyear investment planning procedure that highlights budgetary revenues and expenditures.
- It contains an LED project implementation table that clearly identifies LED project partners, funding sources, project duration, beneficiaries and start date.
- In seeking to provide a greater understanding of the practical requirements of implementing the LED strategy, the strategy concludes with a set of LED project action plans that highlight the nature and requirements of the individual LED projects.

City of Rezekne Strategy for Local Economic Development, Latvia

- Written by the City of Rezekne municipal team and produced as part of the Cities of Change initiative, this LED strategy reflects the efforts of the City of Rezekne to initiate and develop a comprehensive and structured LED strategy.
- In pursuing the five stage approach to strategy development, the strategy includes a detailed background to the LED planning process and provides a comprehensive breakdown of the municipal budget. Of note in this strategy is the strength of the local economy assessment.
- The strategy contains a ‘vision to projects’ matrix that outlines the sequential nature of the LED strategy making process, and contains a balanced set of *hard* and *soft* infrastructure projects.

- It provides an overview of Rezekne's multi-year financing plan and capital improvement planning system, and is accompanied by an interesting section detailing the development of an agency approach to LED that has been established to oversee strategy implementation.
- Rezekne's strategy contains an LED project implementation table that clearly identifies LED project partners, funding sources, project duration, beneficiaries and start date.
- To provide an understanding of practical planning requirements and inputs necessary to realize the strategy, it concludes with a sample set of project action plans that highlight the nature and likely resources of individual LED projects.

City of Poprad Strategy for Local Economic Development, Slovak Republic

- Written by the City of Poprad municipal team and produced as part of the Cities of Change initiative, this LED strategy follows the five stage approach to LED strategy planning.
- The strategy contains a detailed overview of the LED institutional set-up that is necessary to carry forward LED strategic planning. It includes a description of the municipal budgetary process and background to the LED planning process. Of note in this strategy is the role of a strong local employer in the municipality, and the related approaches taken to maximizing the benefits of developing the local economy.
- The strategy contains a 'vision to projects' matrix that clearly outlines the integrated and structured nature of devising LED projects, and includes a balanced set of *hard* and *soft* infrastructure projects that seek to build local capacity.
- The strategy provides an overview of Poprad's multi-year financing plan and capital improvement planning system, and includes information on the role and results of a business attitude survey as a means of informing LED strategy from a private sector perspective.
- Poprad's strategy contains an LED project implementation table that identifies LED project partners, funding sources, project duration, beneficiaries and start date. The strategy concludes with a sample set of project action plans that outline likely resources associated with individual LED projects, project partners, risk factors and evaluation timeline.

CITY OF SMOLYAN



**LOCAL ECONOMIC DEVELOPMENT
STRATEGY
2004-2007**

Smolyan, Bulgaria
May, 2004

Disclaimer

This strategy has been written by the City of Smolyan Municipal Team with advice and guidance from the World Bank Group and the Bertelsmann Foundation. The World Bank Group and Bertelsmann Foundation do not accept any liability for the accuracy or content of this strategy; they do however congratulate the Municipal Team for the quality of this work.

INTRODUCTION

Local Government in CEE Countries

Local governments are increasingly making decisions and actions that have a long term impact on the local community. To ensure that these decisions and actions are undertaken in a consistent way, a clear and long-term perspective is necessary. This preferred direction, often called a vision, should be developed with strong and active participation from the local community. The use of strategic planning and management methodologies is a way for developing the vision and transferring the vision into successful programs, projects and actions.

Cities of Change Program

The World Bank and Bertelsmann Foundation decided to support ten cities from the Central and Eastern Europe region under the group heading of the Cities of Change network. Support provided under the Cities of Change program included the financing of network meetings, training in appropriate methodologies and the provision of technical assistance to initiate the development of five-stage local economic development strategies planning process. In devising programs and projects to fulfill the preferred vision for Smolyan municipality, this five-stage process included:

- Organizing the Effort
- Doing the Local Economy Assessment
- Preparing the Strategy
- Strategy Implementation
- Developing of the Monitoring and Evaluation System

In undertaking these stages, each of these stages were informed best practices. Below is a brief summary of the process and results of the work undertaken in the City of Smolyan.

Smolyan Municipal Government

Three governmental tiers of public administration exist in Bulgaria:

- State administration on the central level;
- Regional administration being fully dependent on central administration (no democracy and no council on this level); and,
- Municipal government as the only level of local government.

Important reforms on decentralization in Bulgaria were introduced in 1995 (Local Government and Local Administration Act) and in 1997 (Local Budget Act and Local Taxes and Fees Act). Mayors and members of a municipal city government are locally elected. The mayor has responsibility for chairing city council meetings and is head of the municipal administration. An administration consists of a city hall and other departmental units like budgetary units (otdel) and budgetary enterprises (zveno). The mayor has responsibility for selecting and recruiting departmental heads, and these heads report to the mayor. The financial plans of all departments are included in the municipal budget and must be agreed and approved by the city council.

Smolyan local government has a number of statutory responsibilities that include primary education, health service, culture, daycare, physical planning, the issuing of trade and construction permits, public asset management, the maintenance of local roads, household waste collection, planning and budgeting. Water and wastewater services, electricity, and telecommunication services are managed by the state.

At the end of each annual financial planning cycle, municipal units and departments prepare an assessment of their “needs” for the next year. Often, those needs are higher than the budget will allow, and a final budgetary section is prepared on the basis of last year numbers making small corrections according to the department suggestions. A draft of the municipal budget is analyzed by deputy mayors and discussed with the mayor. After the mayor has accepted the draft budget, the draft

is then presented to the full city council for discussion. After discussion, the council approves the budget. Then the head of each unit and the wider administration is informed of the resources that are available for them.

Organizing the Effort

In Smolyan, the Deputy Mayor with responsibility for Tourism and Investment initiated the local economic development (LED) process of updating of the LED strategy. The Mayor established an internal Interdepartmental LED Group (ILG) that consists of:

- Deputy Mayor (responsible for LED)
- Head of the Department of Architecture, Construction and Ecology
- Head of Finance Department
- Chief Architect
- Head of Legal Department
- Head of Construction Section
- Head of Land Management Section (Cadastre)
- Head of Municipal Ownership Section
- Head of Education, Culture and Health
- Head of Tourism and Investment

The ILG takes part in the LED stakeholder meeting and considers administrative issues relating to LED. The ILG meets on a monthly basis or on demand when necessary. Smolyan City Council, comprising of 29 elected members, has created two Commissions to oversee LED. The Budget and Economic Development Commission has six members and the Privatization, Municipal Property and Investment Commission has nine members. The Commissions sit prior to City Council meetings and provide expert and legal advice on the propositions and resolutions that the City Council is considering.

LED Stakeholder Group

With the Municipality having good relationships with representatives of the local community, a Stakeholders Group was identified and created to participate in the LED strategy development process. The Stakeholders Group consists of:

- Local Chamber of Trade and Industry Representative
- Association of Rodophean Municipalities
- Regional Development Agency
- Local Industry
- Local Hotel Owners
- Representative of local restaurant owners
- Local Media
- Association of Potato Producers
- Regional Tax Administration Office
- Local Office of the State Road Administration
- Local Water and Sewage Company
- Local Electricity Company
- Local Office of the Ministry of Culture
- Regional Inspection for Environment Protection.
- Other Departments of the Smolyan Municipality

Strategy Making Process

In 2001, the Deputy Mayor of Smolyan with responsibility for LED recruited an expert to develop a draft LED strategy document for the city. The first stakeholder meeting to discuss this document was held in February 2001. As a result of this meeting, stakeholders provided feedback on the content of

the strategy. The strategy was approved without major changes and a decision was taken to update the strategy in the next year with stronger involvement of the local community during the process.

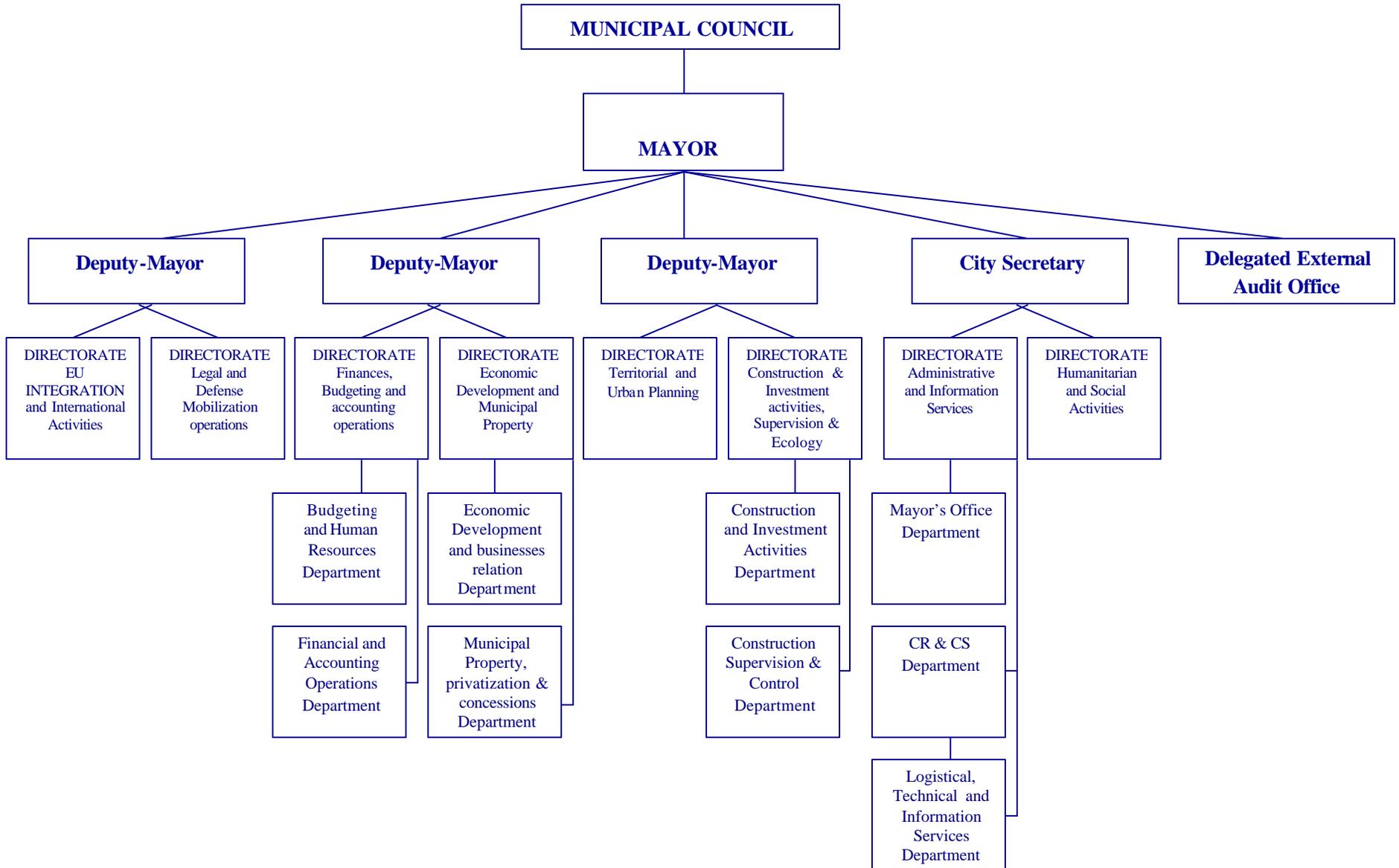
A second stakeholders meeting occurred in January 2002. The aim was to review new data collected, review problems and opportunities, and prioritize LED actions. As the attendance of this meeting was not sufficient (lack of SMEs representatives) the final goal has not been achieved. As a result of this, the leader of the LED section then met with the Head of the Chamber of Commerce and using a summary of the stakeholders meeting, conversations with SME representatives and earlier feedback and survey results, an LED vision, goals and objectives were proposed.

An internal ILG meeting was then held to discuss the proposition of LED programs. A third stakeholders meeting began from the presentation by the city team a structure of goals, objectives and programs. The stakeholders discussed and proposed some small changes that have been included in the final shape of the drafted strategy document. Then finally the new LED strategy document has been discussed and approved by Smolyan City Council in autumn 2002. After its approval, the document was published and was made available for the local community and visitors.

The current LED strategy document is the result of an evaluation and monitoring review undertaken during the period November 2003 to May 2004. This update coincided with a new political administration following local elections held in October 2003. The revised strategy was informed by the development of a Tourism Development Strategy for Smolyan that identified data on the state of infrastructure, tourist and tourism-related services, and took into consideration stakeholders opinions and views. This process resulted in the identification of a full inventory of projects into implementation phase, in preparation and such expected funding approval. Consequently, in May-July 2004, a process of profiling all of the municipal real estate property will be accomplished in order to allow for the better management and investment promotion.

Structure of Smolyan Municipal Government

Consisting of 86 villages grouped around eight neighborhoods, the City of Smolyan has an elected mayor and small office employing forty people in total. The Municipality of Smolyan employs 88 people in the City Hall, and 320 in total. Smolyan city council consists of 29 elected members.



2003-2004 Municipal Budget (in BGN)

Budgetary Revenues	2003	2004
Total Revenues	13,782,454	13,719,767
<i>Own Revenues</i>	4,448,084	4,734,740
Tax Revenues	1,017,582	998,740
Revenues from Selling Property	640,071	750,000
Other Own Revenues	2,790,431	2,986,000
<i>Subsidies</i>	9,334,370	8,985,027
Subsidies for Capital Improvement	757,293	252,000
Subsidies for Operation	8,577,077	8,733,027

Bulgarian Leva = BGN1.64 = \$US1

Budgetary Expenditure	2003	2004
Total Expenditure	14,079,161	14,355,625
<i>Operating Expenditure</i>	12,129,880	13,233,200
Personal Expenditure	7,056,887	7,588,846
Goods & Services	5,072,993	5,115,828
Other operating expenditures	-	528,526
<i>Other Current Expenditure</i>		205,000
Capital Improvement Program Expenditure	1,949,281	917,425

Bulgarian Leva = BGN1.64 = \$US1

Structure of Expenditure By Activities	FY 2003		Plan for FY 2004	
Functions (Activities)	Bulgarian Leva (lv)		Bulgarian Leva (lv)	
Administration	2,780,440	19.7%	2,279,452	15.9%
Education	6,087,813	43.2%	6,183,673	43.1%
Health Care	619,565	4.4%	560,116	3.9%
Social Services	886,222	6.3%	1,202,620	8.4%
Housing, Communal Services	928,934	6.6%	1,078,830	7.5%
Culture and Recreation	939,793	6.7%	1,079,224	7.5%
Economic Activity and Services	1,763,454	12.5%	1,658,193	11.6%
Others	72,940	0.5%	313,517	2.2%
Total	14,079,161	100%	14,355,625	100%

Bulgarian Leva = BGN1.64 = \$US1

LOCAL ECONOMY ASSESSMENT

The aim of the local economy assessment is to create an economic profile of the community that highlights the basis of its comparative advantages and disadvantages from both an internal and external perspective. Research is a key initial effort, next is sharing this information with stakeholders and working with them to identify critical issues for local economic development, so that they may influence the visioning process. Also important is the review of comparative information on the competitive position of neighboring communities and other regional, national or supranational competitors.

Geographical Position

Smolyan Municipality encompasses the town of Smolyan and 87 settlements, 48 of which are mayoralties. Smolyan is situated in southern Bulgaria in the central part of the Rhodopes. The Vacha River Valley divides the West Rhodopes in two parts: Batak-Dabrak and Perelik-Prespa. The Smolyan Hollow, in which the town of Smolyan is situated, is in the Perelik-Prespa part. The municipality covers 844 square kilometers and coniferous woods cover approximately 67 percent of the municipality. With a mountainous relief, the municipality lies between 800 and 2,191 meters above sea level, the highest point peak in the Rhodopes (Perelik). The climate is extremely mild, being cool in summer and soft in winter. The area is characterized by clean air, natural beauty and preserved fauna, factors considered to be important in the development of winter and summer tourism. The beautiful nature contrasts with many Brownfields left by restructuring of economy and relatively many unfinished family houses.



Source: Smolyan Municipal Web site

Demography

There are eight local councils and 86 towns and villages in the municipality. In 2001, the municipality had a total population of 47,458 (23,115 men and 24,343 women). The natural rate of growth in population since 1993 has been negative. During 1997 and 1998, a 4 percent growth rate was observed. In 1994, Smolyan had a population of 50,954. Between 1994 and 2001, Smolyan's population decreased by 3,500 people (7%) as a result of negative natural growth and migration. An alarming factor is that while the active population and the population above active age keeps approximately the same level from 1992 to 1999, the group under active age for the same period has decreased from 11,870 to 8,205 citizens, i.e. a drop of 3,665 in children and youth group. The population of Smolyan is not only decreasing but also getting older. At the end of September

2001, almost 12,400 were employed with close to half being employed by private sector. The average level of unemployment in 2001 was 18 percent.

Tourism

The municipality boasts favorable climatic conditions, a variety of the plant and animal life, well preserved traditions, customs and architecture. Located ten kilometers from Smolyan, the renowned Pamporovo resort has an excellent hotel base, numerous holiday homes, ski facilities and associated attractions. Several cultural and historical sites exist in the municipality including the medieval castle of Agoushevi Konatsi. Other notable features include the feudal mansion of Alibeev Konak and the architectural and ethnographic reserves in the Shiroka Laka Dolno Raikovo district. In total there are six interesting tourist sites:

Rozhen Mountain Meadows: As a Karst no-drainage hollow connecting the Perelik and Prespa parts of the Rhodopes, the area is historically associated with the uniting of the Rhodope Mountains into the Bulgarian state in 1912. This is a site of national significance as traditional place for families that lived on both sides of the previous border. For the last 100 years it has been the site of the national Rhozhen Folklore Festival that takes place every four years.

The Village of Shiroka Laka: This is one of the best-preserved villages in the Central Rhodope area not only for the architecture significance of its houses but also for the small craft workshops. Shiroka Laka is also famous as the setting of the Masquarade Mummies' games, held there the first weekend of March.

Architectural monuments in the town of Smolyan

Cheshitska mahala in Dolno Raikovo District, Smolyanq is a neighborhood that has preserved the architecture and spirit of the Bulgarian Revival period, with its lively stone and whitewashed Rhodope houses that host cozy pubs and commercial sites. The Lazlo Nagi Museum is associated with the great Hungarian poet who translated and published Rhodope folklore songs and legends into his native language. Over a hundred buildings in Smolyan have been classified as an architectural monument.

The early Christian Basilica in the Mogilata area near Smolyan dates from the 4th Century and is an archaeological monument of national importance. Smolyan's art gallery was founded in 1964, and in 1983 it was moved to a specially designed building, where it has 1,000 square meters of exhibition area. The History Museum in Smolyan hosts a permanent exposition boasting more than 3,000 artifacts from the pre-historic to the contemporary period.

Smolyan also features two tourist sites that present specific tourist opportunities. The National Astronomical Observatory "Rozhen" is the largest observatory on the Balkan Peninsula and the best planetarium in Bulgaria. Natural resources surround Smolyan and attract numerous tourists. The Lake area with its small housing facilities perched on the surrounding hills is a preferred site for picnics and weekend tourism to both residents and tourists. The rock formations west and north of the town form a spectacular ring and include hiking trails that lead to local tourist sites including the Orpheus rocks, the Maids Temple and Turlata.

In the nearby Upper Arda River area tourists can visit the Uhlovitza Cave and the stone bridge called the Passage Cave. The Garga Trail allows tourists to enter the three wild caves, and provides a combination of boating and wading through an underground river. Also available is a ride on an alpine trolley, rock climbing and mountain bike trails.

Education

Ten local kindergartens exist of which six are combined with nurseries. There are four primary and three general education secondary schools. A foreign language secondary school and a mathematical secondary school also operate in the town. There are also six state technical schools and a vocational secondary school of applied arts.

The largest school in the Smolyan municipality is the First Secondary School “Sveti Kiril i Metodiy”. 1,040 pupils from the 1st to the 12th class are educated there in 44 divisions. The divisions of the primary course are profiled into fine arts, choreography, music and early foreign language learning. There are specialized classrooms for all of these subjects and two computer rooms. In the recent years the pupils of the Mathematical Secondary School “Vassil Levski” are educated in the following profiles:

- Informatics, mathematics and English.
- Informatics, mathematics and either English or German language.
- Biology, chemistry and a either English or German language.

Transport and Infrastructure

Accessible only by road, Smolyan has a road network measuring 461 kilometers. Inter-settlement transport is undertaken by small sized buses and Smolyan is served by fifteen transport firms with eighty-six buses and numerous taxis. Though the town is supplied with water from twenty-two springs, water provided for drinking and domestic use is inadequate and there are no purification plants for wastewater in the municipality. The wastewater system covers only fifty percent of the city of Smolyan and in many settlements it does not exist at all.

Telecommunication services, electricity and water supplies are generally good. Smolyan has a relatively well-developed social services system. The city boasts numerous cultural institutions, a good education system with two universities, a developed healthcare system with a regional hospital situated in Smolyan.

Finance and Industry

There are twelve branch offices of banks and more than ten insurance companies. Light industry is well developed, represented by textile, tailoring and dairying enterprises, and enterprises for the production of bread, breadstuffs and sweets. The majority of firms that operate in the wood production and woodworking industry are private.

The mainstay of the municipality’s economy is “Gamakabel”, a private company that produces various kinds of cables and serves the national and international market. ZMM produces metalworking and woodworking machines and tools. Many building companies function in the municipality. These firms have the material, technical expertise and manpower to undertake various kinds of construction and installation work.

Agriculture and Livestock

Agricultural land accounts for approximately 25 percent of the municipality. The cultivable land is 106,000 hectares, including 21,000 hectares of cornfields, 59,000 hectares of meadows, and 11,000 hectares of commons and pastures. The agricultural lands are small-sized, scattered and far from the road network.

Land suitable for cultivation is primarily situated on the mountain slopes and the river valleys. Potato production is the main branch of plant growing in the municipality. The municipality produces the Rhodope potato which is well known for its quality throughout the country. Unfortunately, there is no controlled market, which accounts for the reduction of the sown areas. Livestock is reared primarily by individual producers each possessing a few animals. There are several larger cattle and poultry farms on the municipality’s territory.

Sales, Employment and Productivity

Below there is a short picture of social cross-section of the community of Smolyan and employment data. So as to obtain a clear and true picture of local economy, the city established a partnership with the local statistics and local tax office to identify key trends and characteristics. As a result of that collaboration, the diagrams below were produced and show key characteristics of major economic activities that are undertaken in the municipality, including change in sales, employment and

productivity in major sectors of the local economy. These dynamic of changes can be observed over the last 3-4 years. There are also global data on Smolyan's economy and data on communal infrastructure and services.

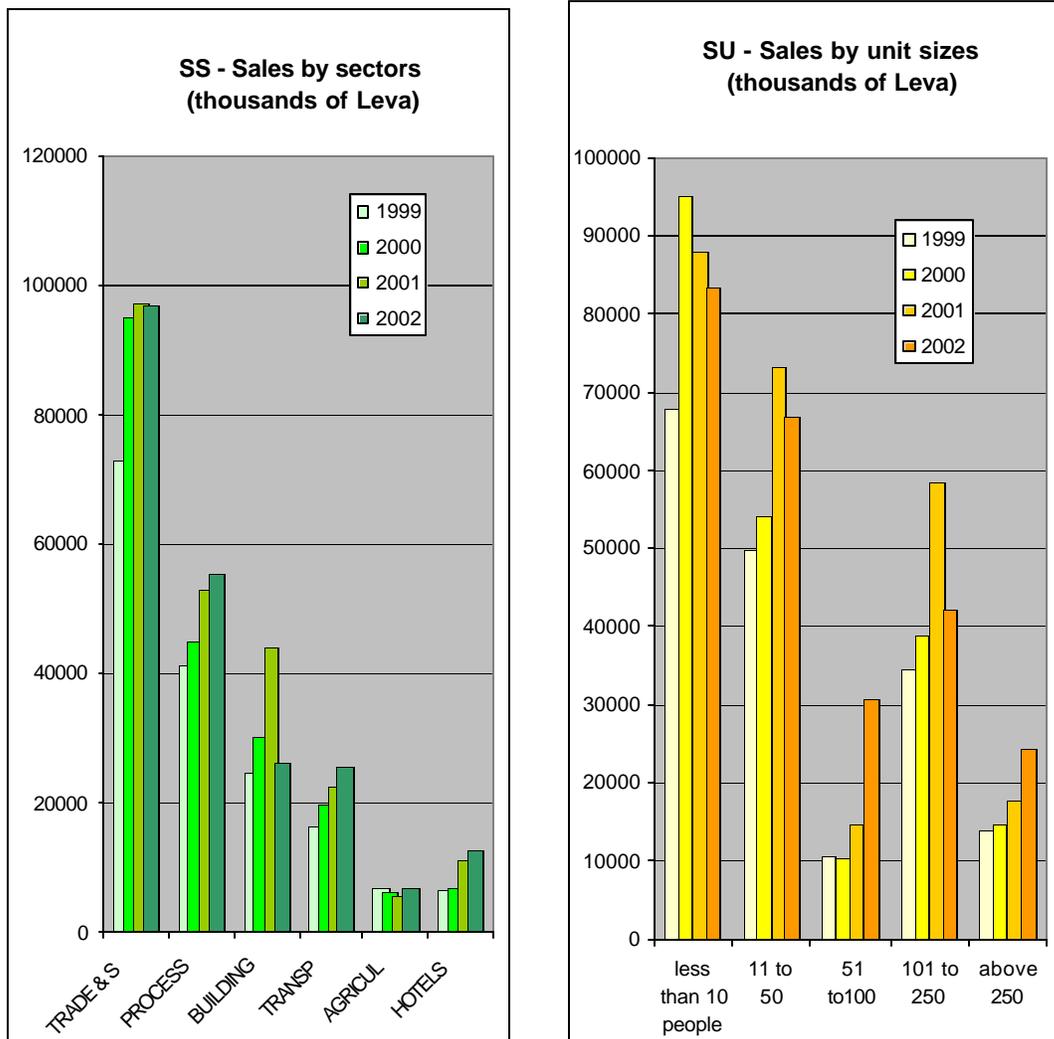


FIG. 1

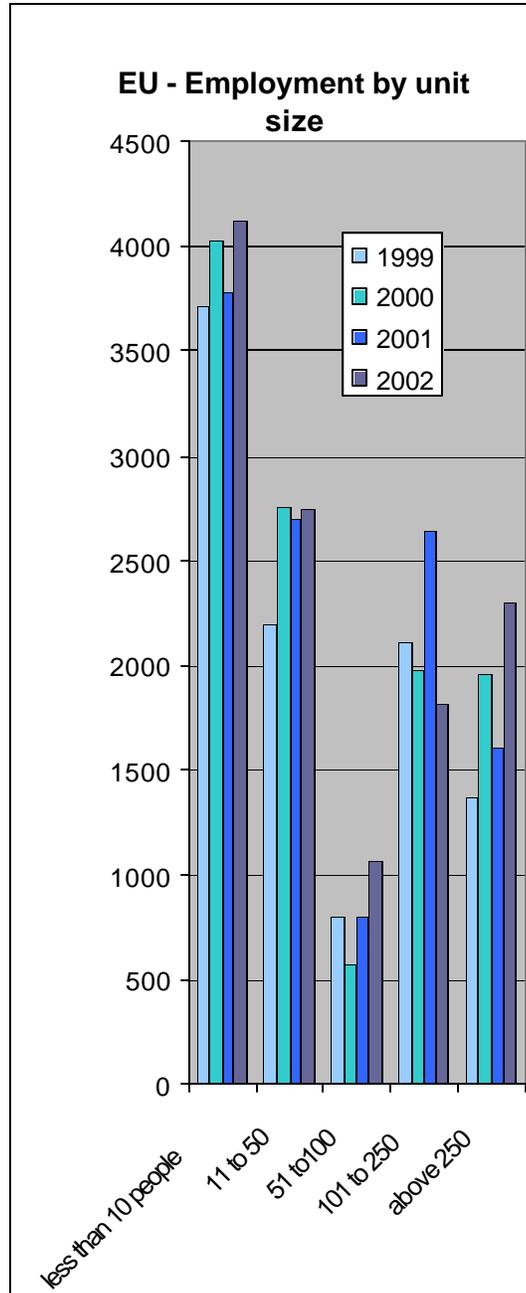
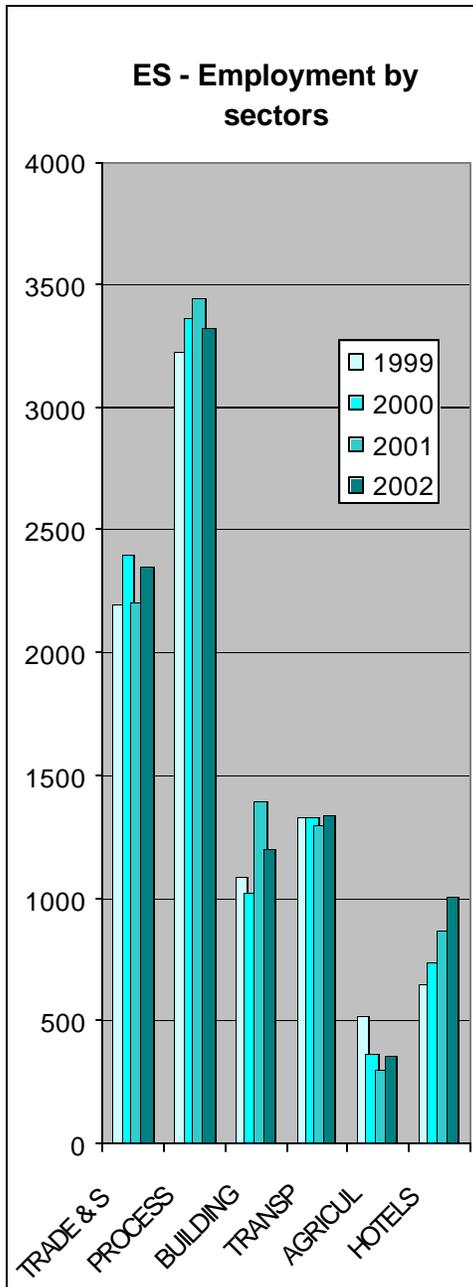


FIG. 2

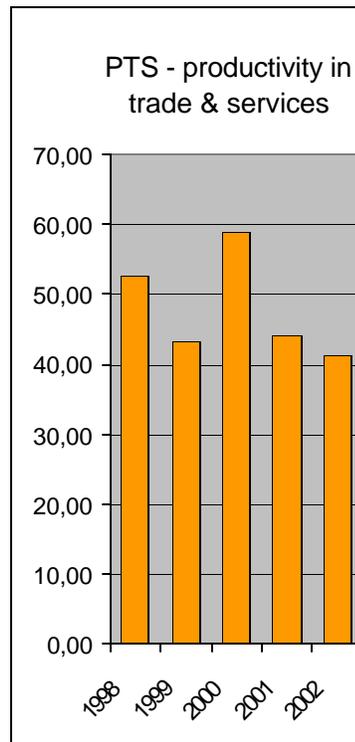
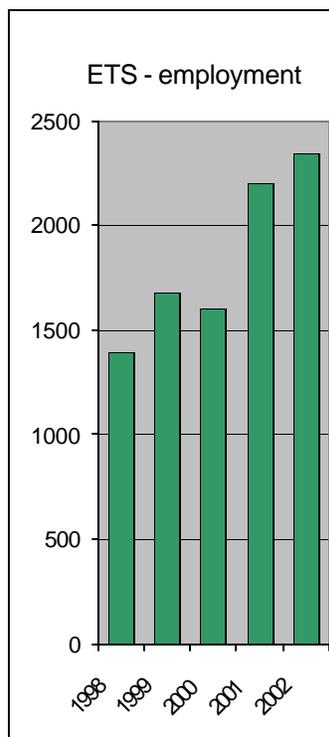
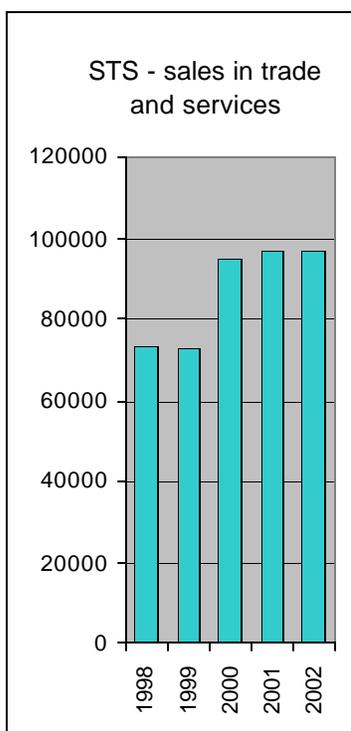
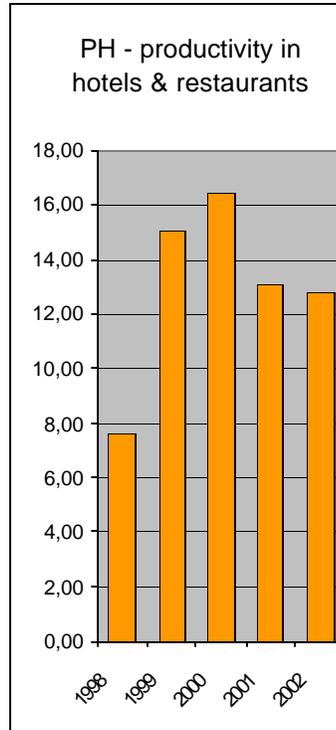
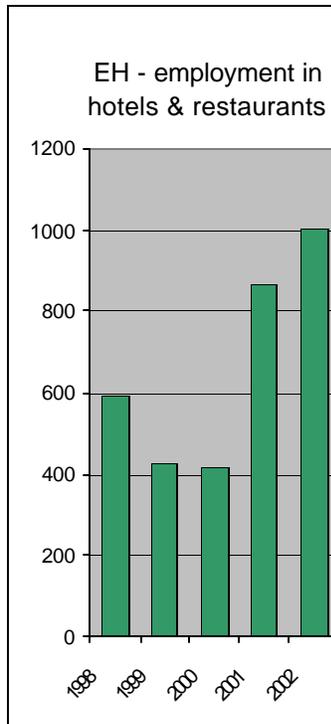
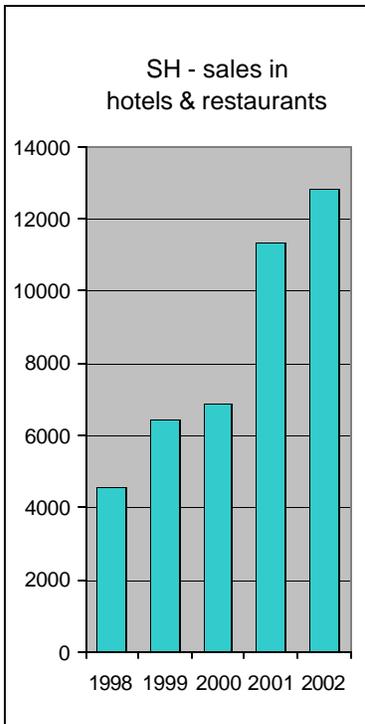


FIG. 3

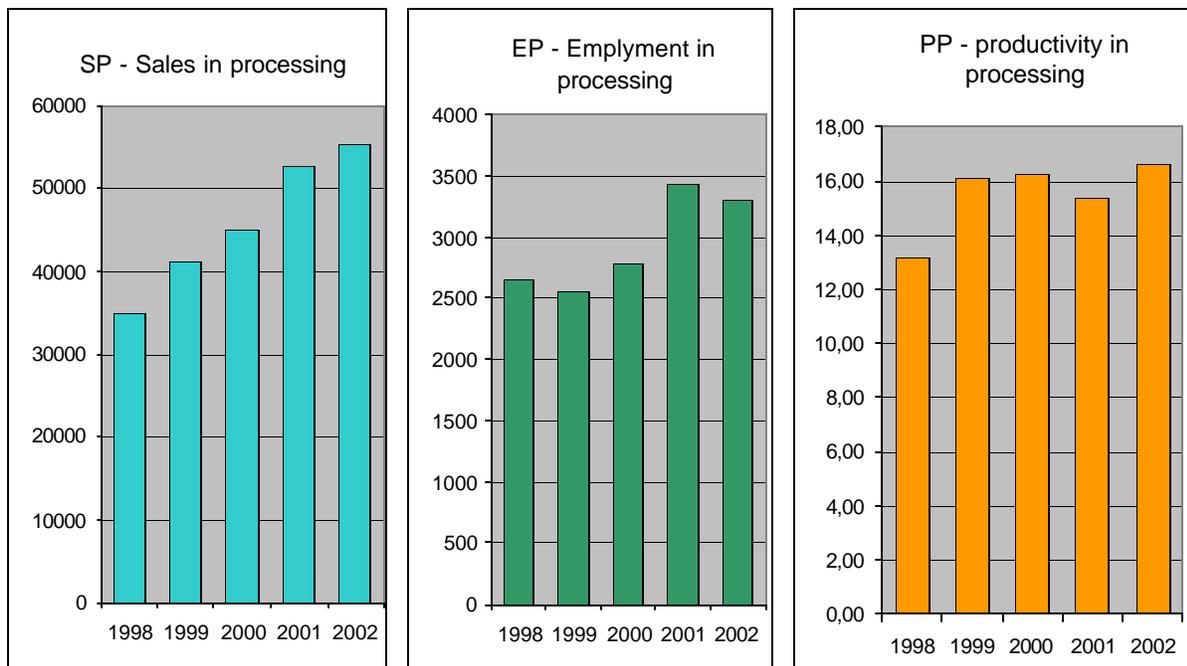


FIG. 4

Looking at the diagrams one can observe that during the four years from 1998 to 2002, sales by local business increased by nearly by 70 percent. In the same period, employment was decreasing from 1998 to 2001. 2002 was the first year when employment began to increase. These changes are related to a high increase in productivity. During the years 1998 to 2001, productivity in Smolyan increased by 100 percent and stabilized in 2002. Analyzing sales and employment by sectors major activities giving employment and sales are: trade and services and processing industry. Next group is formed by construction and transportation, but in construction huge decrease can be observed in 2002, when transportation is growing smoothly. The last group is comprised of agriculture, hotels and restaurants, where the tourism sector is the fastest growing one in the municipality.

Diagrams of specific sectors show that progress has occurred in processing, where sales, employment and productivity increased permanently during the last five years. Large increases can be observed in hotel and restaurant activity, where sales in 2002 were nearly three times higher than in 1998. Productivity in this sector was not very high as these are mostly small family hotels. A remarkable drop is observed in construction in 2002. Looking at a breakdown of sales and employment by unit size one can see that highest position have small firms (below 10 employees) and about 70% of sales and employment belong to those which employ less than 50 people.

In conclusion it is visible that a long term LED strategy in addition to tourism and agriculture, should also create the right conditions for the development of an environmental friendly processing industry and for SME development in general.

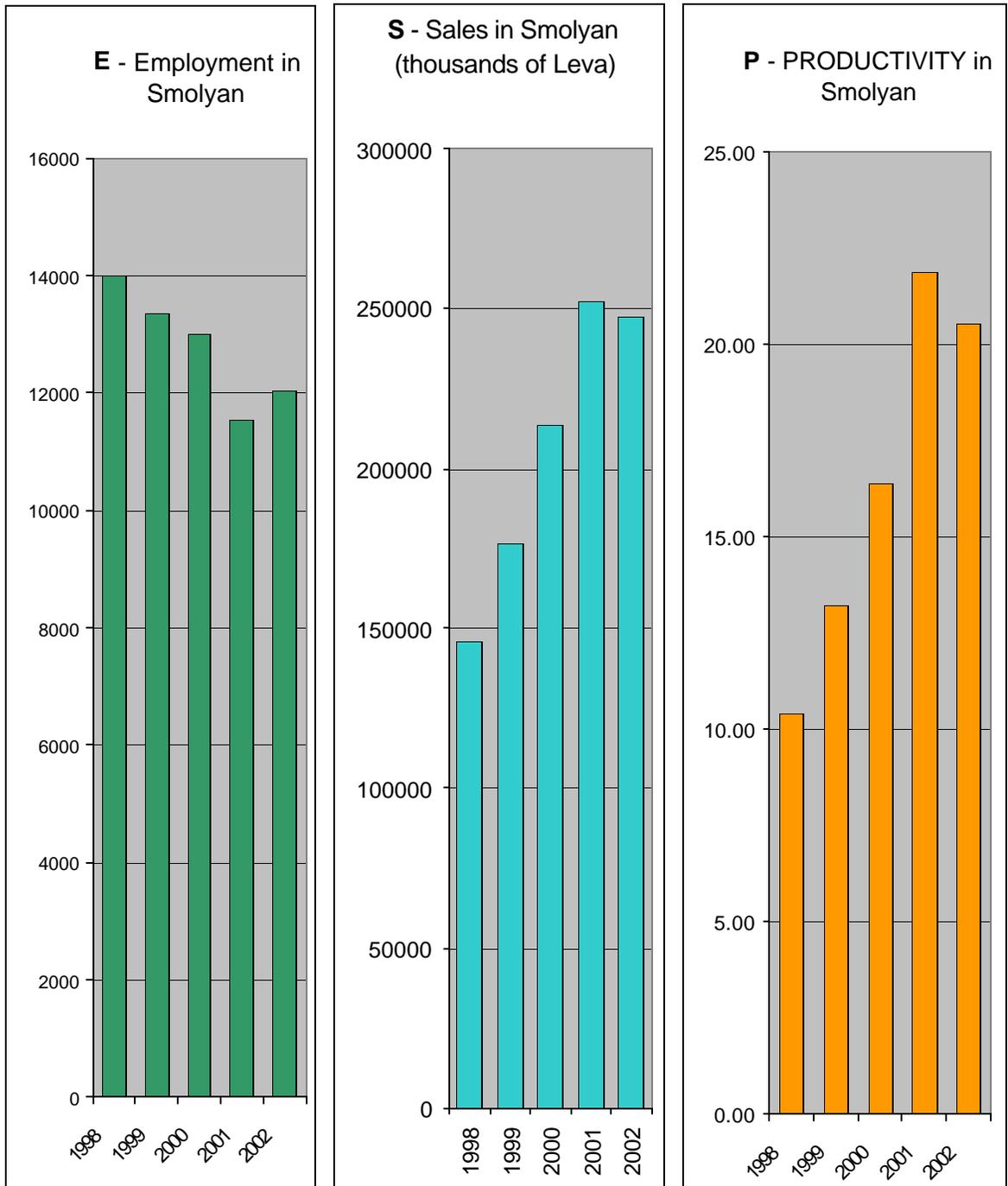


FIG. 5

Competitive Comparison of Data on Tourism Development with the Municipality of Bansko

	SMOLYAN	BANSKO
DISADVANTAGES	<ol style="list-style-type: none"> 1. Remoteness from the capital - 250 km from Sofia, according to the specific relief the average traveling speed is lower - 40km/h compared to the normal average speed for II class roads - 60km/h, which significantly increases the traveling time 2. Not enough strong developed economy 3. Lack of internal and foreign investments 4. Migration trend 5. The town of Smolyan is not so popular as a tourist center. 6. Insufficient sport infrastructure 7. Small number of marked pedestrian walks 8. Lack of high category hotels: no 4/5 star hotels 	<ol style="list-style-type: none"> 1. Low -developed economy – predominance of woodcutting, wood -processing and furniture enterprises 2. Municipality does not have the advantages of the big city - as infrastructure, car parks, communications, and services 3. More severe climate 4. Predominating ski -runs of higher difficulty unsuitable for beginners 5. Not enough chair-lifts 6. Lack of serious potential for development of alternative tourist elements (forms) 7. 7. Water supply and sewerage problems
ADVANTAGES	<ol style="list-style-type: none"> 1. Preserved pure and beautiful environment 2. Ecologically pure production - potato production, dairy and meat industry 3. High quality of life 4. Low crime rate 5. Emerging alternative tourism development 6. Proximity to the ski-resort Pamporovo 7. Rich cultural and historical heritage, as well as living heritage – crafts, traditions, folklore 8. Common border with the Republic of Greece 9. The town of Smolyan is both a municipal and regional center 10. 10. Opportunities for construction of Sport Tourist Center “Perelik”, including several new ski-runs in total length about 25 km, altitude of 800 m 	<ol style="list-style-type: none"> 1. Proximity to the capital of Bulgaria - 160 km from Sofia 2. The town of Bansko is popular in Bulgaria as a tourist center 3. It offers many different and interesting cultural programs - there are 120 sites of cultural importance, lots of museums, artisan’s workshops and souvenir shops, 70 taverns 4. Spa resort, 6 km from Bansko - in the village of Dobrinishte, opened and covered swimming pools with mineral water, availability of high category hotels - 4 stars hotels 5. The total length of the ski-runs is longer and with better service, offering wider choice of winter sports opportunities than those in Pamporovo

Additional Data

OTHER RELEVANT DATA	SMOLYAN	BANSKO
Population	33,000	13,988
Unemployment rate	21.2%	13.84 %
In productive age	61.5%	49.44 %
Economically active	48.07 %	
SKI tourism infrastructure		
Cabin lifts	None	6 km
Chair lifts	16.7 km	10 km
Bar -lifts	6 km	6 km
Other tourism forms	Emerging adventure tourism	Environmental tours in Pirin National Park
	Rural tourism	Rural tourism offer
Cultural offer	Rozhen folklore summit Youth Orpheus Celebrations	Annual Jazz Festival in Summer
	Popular local cuisine	Established musical product

Summary of Comparison

- Comparison with Bansko shows that using the image of Pamporovo Smolyan can still attract more tourists. There are natural conditions for improving of ski facilities what now makes limitations for further development of ski tourism.
- Length of ski lifts in comparison with number of winter visitors is highly insufficient.
- The unique Rhodope picturesque and clean environment as well as attractive climate in both winter and summer season and preserved original local Rhodope cuisine can also be treated as an asset in comparison with closer to Sofia better known Pirin Mountains region.
- Next opportunity in relation to Bansko is given by an advantage that the city of Smolyan is bigger and can offer more services. It is not only the Pamporovo resort but also a living regional center.
- Development of agro-tourism which is growing fast in Smolyan proves that visitors see the nature in the heart of Rhodopy as attractive and the sector has a potential to grow.

Summary of Opinions Collected

After collection and presentation of hard data some survey, meetings and conversations were held. Below is a summary of collected messages:

The major message from hotel owners is that Smolyan is not yet a tourism center because it is not attractive enough (those who said it is a tourism center justified that with nature and clean air).

Major problems:

- Bad roads inside the municipality and difficult access (only by bus)
- Not enough sport and recreation infrastructure and other opportunities for leisure and fun
- Only one attraction: skiing, and a lack of trails for hiking (with signs)
- Major desired public sector partner is the municipality of Smolyan.
- Lack of support from the municipality side, city should organize:
- Construction of open and closed swimming pool
- Tennis courts
- Hiking trails with signs suitable for individual tourists
- Some ski lifts just in Smolyan (without necessity to move to Pamporovo)

Business Opinion Survey Summary:

About 25 firms have been interviewed; majority of them was created after 1990. Major problems they declared were:

- Not enough big local market,
- Lack of capital
- State bureaucracy. They have problems with different inspections which are not enough transparent. No clear criteria, subjective decisions.
- Most of the firms declared small profit last year; some declared zero profit only one generated a big loss.
- Most of them have no modern equipment, some of them bought some new in last year
- Most of the firms are equipped with computers, has internet connection.
- Most (22) firms sell products on local market, only 6 outside.
- Many have declared problems with receiving credits, but 12 of them received it last year.
- Most of them plan to improve quality of production and improve technology.
- They haven't had in 2001 serious problems with city utilities and transportation.

Conclusions

All the data and opinions collected and presented above as well as results of analysis of economical and competitive position of Municipality of Smolyan allows us to conclude the following:

1. Competitive position of the municipality of Smolyan has some important advantages as well as opportunities. Trends observed in the municipality in the last years prove an ongoing restructuring of local business and the continued growth of sales. A newly updated strategy can also have positive impact in the longer term giving needed synergy in efforts of both private and

public sector development. However, serious consideration should be given to improving tourism products and competitiveness to increase tourism sales as a share of municipal GDP.

2. The Municipality of Smolyan cannot successfully, in longer term, continue its development without at least some support from the state government (improving of access road, opening of the border with Greece and support for the Perelic project). It means that a key factor for Smolyan's LED activity should be to develop a permanent lobbying effort at a central level in Sofia so as to encourage the necessary support in those areas outside the city's responsibility but which are crucial for removing basic limitations for further growth in Smolyan.

DEVELOPING THE LED STRATEGY

Both the local economy assessment as well as the knowledge and experience of stakeholders and specialists are major inputs for proposing the strategy for a city. Preparing of the strategy means:

- Creating a vision: a picture of the city in the future of 10, 15 or more years ahead
- Developing goals: they show more clear directions for development
- Developing objectives: they are to be specific enough to be measurable and the measures have to be established
- Propose programs: they should be chosen to achieve as much as possible in reaching the objectives above

The City of Smolyan LED team has successfully collected data and opinion but the stakeholder meeting to identify priorities attracted fewer people than expected. Consequently the city team prepared the updated strategy document on:

- Former strategy document
- Stakeholder feedback city received to the previous version
- Collected present opinions of stakeholders
- Surveys of business sector and hotel owners
- Local economy assessment in the table above

A number of goals was developed and proposed. The list was presented to the next meeting of internal LED team with representatives from hotel owners, the Chamber of Commerce and additional SMEs. The LED team has presented proposition of goals and objectives, and during the meeting, identified programs to fulfill goals. A summary of this meeting was developed by the municipal team and is outlined in the SWOT analysis.

SWOT ANALYSIS

	INTERNAL	EXTERNAL
POSITIVE FACTORS	<p>Strengths</p> <ul style="list-style-type: none"> ➤ Very nice landscape and climate for living ➤ Excellent natural environment and air quality ➤ Attractive local folklore, art, dancing etc ➤ Skiing facilities in Pamporovo ➤ Family hotels and restaurants with excellent unique local kitchen ➤ Rhodopean food (agricultural produce of the municipality is recognized as one of high quality in Bulgarian domestic market ➤ Legal Framework requiring public revenues from tourism to be spent only for tourism support activities ➤ Consensus with tourism stakeholders on how to spend money for tourism, generated in the Municipal Tourism fund. ➤ Available educational infrastructure for tourism, lacking up-to date educational programs 	<p>Opportunities</p> <ul style="list-style-type: none"> ➤ Smolyan and the Rhodopes are recognized in Bulgaria as a good healthy location for both living and visiting ➤ Prospects for development of hand craft businesses ➤ Enlarging the ski resort in the direction of Perelik mountain what should make the ski season longer ➤ Possible development of other sports (in summer) in the region (e.g. hiking, extreme sports: rafting, caving, rock climbing) ➤ Better access to and from Greece, if transport infrastructure improved (more influx of tourists) ➤ New border post is an opportunity too ➤ Development of environmentally friendly forms eco-rural, recreation ➤ Establishment of Tourism Development consultative committee to support municipal decision-making regarding tourism ➤ Establishment of Business-orientation program, operated by NGO to provide information and advice to business on how to get access to EU funding resources. ➤ Establish partnership between educational institutions and employers association for development of programs meeting the market demand for man power
NEGATIVE FACTORS	<p>Weaknesses</p> <ul style="list-style-type: none"> ➤ Poor regional transport infrastructure ➤ Lack of infrastructure for sports and entertainment ➤ Insufficient capital for businesses ➤ Lack of knowledge and experience in business activity ➤ Difficulty for businesses in receiving bank credits ➤ Stifling bureaucracy and tax level ➤ Insufficient promotion of the region to tourists ➤ Too many imported food products that could be produced locally ➤ Lack of knowledge in accessing EU funds ➤ Lack of adequate skills of employees in tourism ➤ Local firms sales are mostly on the local market 	<p>Threats</p> <ul style="list-style-type: none"> ➤ Construction of road to Greece is postponed ➤ Too short winter season (for skiing) ➤ Poor sustainability of local business ➤ Lack of experience of free market economy/ entrepreneurial attitudes ➤ Lack of foreign and domestic investments (can the Perelic project attract an investor?) ➤ A better competitive position of Bansko ski-resort after its modernization in 2002-2003 ➤ Too many Brownfields causes that the city has not a face of tourist center (can it attract more tourists?)

CITY OF SMOLYAN ‘VISION TO PROJECTS’ MATRIX

Vision	Goals	Objectives	Programs	Projects
<p>Smolyan will become a priority destination for tourists in the region and a city with a strongly developed private sector</p>	<p>G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality</p>	<p>G1:O1: To raise the quality and standards of waste water networks and road infrastructure for better business and community development</p>	<p>G1:O1:PG1: Road Improvement Program Identify, and prepare project briefs and programming documents for, specific road improvement projects</p>	<p>G1:O1:PG1: p1: Reconstruction of road Smolyan Mugla Village. G1:O1:PG1: p2: Construction of new road connection Ryaka Village – Katranitsa Village G1:O1:PG1: p3: Construction of new road connection Kutela Village – Slaveino Village G1:O1:PG1: p4: Construction of new road connection Cheplyat Village – Bukatsite Village G1:O1:PG1:p5: Reconstruction of new road connection New Center District – Stankovo Suburban- Levotchevo Village G1:O1:PG1:p6: Construction of additional section in the road Smilyan Village- Sivino village G1:O1:PG1:p7: Construction of a new street “Snezhanka”, in Smolyan G1:O1:PG1:p8: Construction of new a new street “Elitsa” in Smolyan G1:O1:PG1:p9: Construction of new a new street “Aleko Konstatinov” in Smolyan G1:O1:PG1:p10:Construction of a road section Stoikite village- Grashitsa village G1:O1:PG1:p11:Construction of local road connection Vievo Villages</p>
			<p>G1:O1:PG2: Waste Water Improvement Program Identify, and prepare project briefs and programming documents for, specific waste water improvement projects</p>	<p>G1:O1:PG2: p1: Construction of water supply system for Vievo village, main pipeline, extension II. G1:O1:PG2: p2: Construction of sewage water collector for Vievo Village G1:O1:PG2: p3: Construction of water supply system for Ryaka Village G1:O1:PG2: p4: Construction of water supply system for Razvantsi area, P. Serafimovo Village G1:O1:PG2: p5: Sewa ge waters network for Elenska area, Tarun Village G1:O1:PG2: p6: Joint water supply system for Oreshets and Straja villages G1:O1:PG2: p7:Water supply extensions for Shiroka Laka Village G1:O1:PG2: p8: Waste water treatment facility construction for recreation aseas Ardashlu, Pamporovo resort G1:O1:PG2: p9: Integrated project for improving water cycle management in Smolyan.</p>

Vision	Goals	Objectives	Programs	Projects
		G1:O2: To revitalize Smolyan's urban centre and upgrade sites of historical, architectural and cultural significance	G1:O2:PG1: Beautiful Bulgaria Program- phase IV Identify, and prepare project briefs and programming documents for, specific urban and physical revitalization projects	G1:O2:PG1: p1: Repair works on exterior and technical equipment of Water Cascades in New Center area of Smolyan G1:O2:PG1: p2: Reconstruction of open playground in the New Center area, Smolyan G1:O2:PG1: p3: Repair of stone clock tower in Smilyan and creation of recreation area in its vicinity G1:O2:PG1: p4: Improvement of vertical spatial siting of Chinara recreation area G1:O2:PG1: p5: Repair works of the historic memorial complex at Srednogorets Mount, Polkovnik Serafimovo Village G1:O2:PG1: p6: Reconstruction and hydro isolation placement of Lasl Nagi Museum House in Raikovo District G1:O2:PG1: p7: Facade and roof reconstruction of "St. Peter and Pavel" church in Levotchevo village G1:O2:PG1: p8: : Facade and roof reconstruction of "St Theodor Stratilat" church in Raikovo district, Smolyan G1:O2:PG1: p9: : Facade and roof reconstruction of "The Holy Mother" church in Ustovo district, Smolyan
		G1:O3: To raise the quality and availability of education and cultural services for residents and visitors	G1:O3:PG1: Education and Cultural Services Program Identify, and prepare project briefs and programming documents for, specific education and cultural services projects	G1:O3:PG1: p1: Development of internship programs with Smolyan-based universities meeting demand for human resources by public and private sectors. G1:O3:PG1:p2: organize and carry out the biannual International Youth Folklore Festival Orpheus celebrations" – 2005 &2007 G1:O3:PG1: p3: Interior modernization of Alibeev Konak architectural complex (of national value) and its establishment as a cultural and training center in folklore performance arts. G1:O3:PG1: p4: May Cultural Days in Smolyan - annually G1:O3:PG1: p5: Weak of live drawing arts in the open Smolyan 2004 G1:O3:PG1: p6:Mummers masquerade games in Shiroka Laka Village (annually) G1:O3:PG1: p7: Local communities' summits
		G1:O4: Development of social infrastructure	G1:O4: PG1: Improving the municipal housing policy	G1:O4: PG1: p1: Create a municipal housing facility for disadvantaged people (single parents, disabled people, elderly people, etc.)
			G1:O4: PG2: Improving the structure and the state of material and technical base of educational institutions in the municipality	G1:O4: PG2:p1:Pilot project "Improving Energy Efficiency in public buildings- High School of Natural Sciences and Math- Smolyan" G1:O4: PG2:p2: Youth Sports events calendar primary, secondary and high school students
	G2: To increase the number of visitors (tourists) in the	G2:O1: To identify, and exploit, recreation and tourism opportunities to	G2:O1:PG1: Smolyan Tourism Promotion Program	G2:O1:PG1: p1: Identify target markets, and initiate and implement a "Visit Smolyan and the Central Rhodopes" – city and region marketing project G2:O1:PG1:p2: Rozhen National Contest in Folklore performance arts.

Vision	Goals	Objectives	Programs	Projects	
	municipality	establish Smolyan as a preferred destination for visitors and tourists with supporting infrastructure		G2:O1:PG1: p3: Initiate and implement a tourist information signposting initiative for better visitor guidance (hotels, sites, railway station etc.)	
				G2:O1:PG1: p4: Strengthening TIOs network performance in Smolyan municipality	
				G2:O1:PG1: p5: Promoting Smolyan as an astronomical destination in Bulgaria.	
			G2:O1:PG2: "Northern Greece" Tourism Program	G2:O1:PG2: p1: Cultural Exchange project "Days of Smolyan and Xanthi and Days of Xanthi in Smolyan" G2:O1:PG2: p2: Tourism opportunities in Region of Eastern Macedonia and Thrace, Greece and Rhodope Municipalities, Bulgaria	
			G2:O1:PG3: "Rhodope Crafts" Program	G2:O1:PG3: p1: Restoration of the ethnographic Craft Street in Ustovo District, Smolyan, implementation phase 1 and II G2:O1:PG3: p2: "Traditions and the past – an alternative for the future", Mogilitsa village G2:O1:PG3: p3: Traditions for the future" for promoting cultural identity and hand weaving tradition in Smilyan Community G2:O1:PG3: p4: Artisan demonstration workshop establishment in Shiroka Laka village	
		G2:O1:PG4: Sports and Recreation Facility Program	G2:O1:PG4: p1: Creation of sports, training and recreation center, based on development of already existing infrastructure (old stadium, indoor swimming pool, multi-sports hall and accommodation faculty)		
	G3: To support local firms to increase sales outside the municipality	G3:O1: To initiate with partner agencies, an integrated business support and service delivery mechanism to facilitate local SME growth and development	G3:O1:PG1: Small Business Center Development Program G3:O1:PG2: Demand-driven SME Training Program	G3:O1:PG1: Small Business Center Development Program	G3:O1:PG1: p1: Identify partners, and prepare project brief and programming document for the establishment of a Small Business Development Center to facilitate SME training and SME-local government relations G3:O1:PG2: p2: Initiate and deliver a business training program (propriety business, administration, IT, accounting, management, and)
				G3:O1:PG3: "Smolyan and Rhodopean" Local Producers Club Program	G3:O1:PG3: p1: Initiate and deliver a customized training and accreditation program for local producers including measures to develop local product sector and promote local, direct trading, branding etc.
				G3:O1:PG4: SME Investment Fund Program	G3:O1:PG4: p1: Prepare project brief, identify funding, and establish a modest investment fund to assist SME start-ups
				G3:O1:PG5: Local Purchasing Initiative (LPI)	G3:O1:PG5: p1: Produce and distribute a Directory of Local Suppliers and Products
					G3:O1:PG5: p2: Produce and distribute a 'Guide to Doing Business with the Council'
					G3:O1:PG5: p3: Initiate an internal council and local business training program on LPIs
				G3:O1:PG6: "Northern Greece" Trading Program	G3:O1:PG6: p1: Initiate and implement a cross-border trading project to establish economic ties and partnerships between Smolyan and Xanti (Greece)
					G3:O1:PG6: p2: Produce and distribute a 'Guide to Doing Business with Greece'; identify Chambers of Commerce and potential partnering opportunities for SME development and trade

Vision	Goals	Objectives	Programs	Projects
	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G4:O1: To develop a comprehensive 'red tape' reduction program for business development in city hall	G4:O1:PG1: Local Business Enabling Environment Program	G4:O1:PG1: p1: Undertake an entrepreneurship promotion campaign in the local media by holding monthly meetings with local media on the progress of LED action planning, business enabling environment announcements etc.
				G4:O1:PG1: p2: Initiate measures to improve municipal legislation and services through a full review of business regulations and requirements
		G4:O2: To enable the development of dynamic and transparent business associations	G4:O2:PG1: Business Association Development Program	G4:O2:PG1: p1: Identify sectoral and regional linkages for possible sector-specific business associations
				G4:O2:PG1: p2: Provide training and support facilities to the business association development program
	G5: To put in place the necessary programs to retain existing, and attract new, investment	G5:O1: To develop appropriately targeted and supported marketing and promotion mechanisms to attract and retain foreign and domestic investment in Smolyan	G5:O1:PG1: Investment Attraction and Retention Program	G5:O1:PG1: p1: Brown field revitalization project
				G5:O1:PG1: p2: Establish a directory of public and municipal properties, and industrial sites
				G5:O1:PG1: p3: Construction of Sports and Tourism Center "Perelik
				G5:O1:PG1: p4: Preparation of a strategy for restitution, re-grouping and management of municipal forests.
				G5:O1:PG1: p5: Construction of secondary forest road Oreshets village - Golyam Dab-Razpatya
	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects	G6:O1: To institutionalise an active and collaborative stakeholder advisory group for LED strategy development and implementation	G6:O1:PG1: Public-Private Stakeholder Partnership Development Program	G6:O1:PG1: p1: Initiate and deliver an ongoing training program in LED principles and partnership working for local government staff and stakeholder partnership board
				G6:O1:PG1: p2: Initiate and deliver an ongoing training program for local government staff in project development and management skills (finance and governance)
				G6:O1:PG1: p3: Initiate an EU-accession working group to identify and learn about EU funding opportunities and criteria and other EU related community development programs
G6:O2: To initiate a LED strategy review and implementation process to ensure the coordination of institutional efforts in support of the LED strategy		G6:O2:PG1: LED Monitoring and Evaluation (M&E) Program	G6:O2:PG1: p1: Initiate a LED M&E training program	
			G6:O2:PG1: p2: Establish M&E project leaders responsible for individual project monitoring and review	
			G6:O2:PG1: p3: Identify, establish and maintain a LED database system for the purpose of annual reporting and analysis	
G6:O3: To review existing, and develop new, systems for long term financial management and investment planning for sustainable LED		G6:O3:PG1: Financial Planning and Management Program	G6:O3:PG1: p1: Initiate and deliver a training program for local government staff in financial management techniques	
			G6:O3:PG1: p2: Initiate and deliver a training program for local government staff in long term financial planning and investment planning	

CITY OF SMOLYAN PROJECTS MATRIX

Strategy Goals	G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality	G2: To increase the number of visitors (tourists) in the municipality	G3: To support local firms to increase sales outside the municipality	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G5: To put in place the necessary programs to retain existing, and attract new, investment	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects
LED Projects*						
G1:O1:PG1: p2: Construction of new road connection Ryaka Village – Katranitsa Village	?	?				
G1:O1:PG1: p3: Construction of new road connection Kutela Village – Slaveino Village	?	?				
G1:O1:PG1: p4: Construction of new road connection Cheplyat Village – Bukatsite Village	?	?				
G1:O1:PG1:p5: Reconstruction of road connection New Center Distric – Stankovo Sububian- Levothevo Village	?	?				
G1:O1:PG1:p6: Construction of additional section in the road Smilyan Village - Sivino village	?	?				
G1:O1:PG1:p10: Construction of a road section Stoikite village - Grashitsa village	?	?				
G1:O1:PG1:p11: Construction of local road connection Vievo Villages	?	?				
G1:O1:PG1: p1: Reconstruction of road Smolyan Mugla Village.	?	?				
G1:O1:PG1:p7: Construction of a new street “Snezhanka”, in Smolyan	?					
G1:O1:PG1:p 8: Construction of new a new street Elitsa” in Smolyan	?					
G1:O1:PG1:p9: Construction of new a new street “Aleko Konstatinov” in Smolyan	?					
G1:O1:PG2: p1: Construction of water supply system for Vievo village, main pipeline, extension II.	?					
G1:O1:PG2: p2: Construction of sewage water collector for Vievo Village	?					
G1:O1:PG2: p3: Construction of water supply system for Ryaka Village	?					
G1:O1:PG2: p4: Construction of water supply system for Razvantsi area, P. Serafimovo Village	?					
G1:O1:PG2: p5: Sewage waters network for Elenska area, Tarun Village	?					
G1:O1:PG2: p6: Joint water supply system for Oreshets and Straja villages	?					
G1:O1:PG2: p7: Water supply extensions for Shiroka Laka Village	?					
G1:O1:PG2: p8: Waste water treatment facility construction for recreation area	?					

Strategy Goals	G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality	G2: To increase the number of visitors (tourists) in the municipality	G3: To support local firms to increase sales outside the municipality	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G5: To put in place the necessary programs to retain existing, and attract new, investment	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects
LED Projects* Ardashlu, Pamporovo resort G1:O1:PG2: p9: Integrated project for improving water cycle management in Smolyan.	?					
G1:O2:PG1: p1: Repair works on exterior and technical equipment of Water Cascades in New Center area of Smolyan G1:O2:PG1: p2: Reconstruction of open playground in the New Center area, Smolyan G1:O2:PG1: p3: Repair of stone clock tower in Smolyan and creation of recreation area in its vicinity G1:O2:PG1: p4: Improvement of vertical spatial siting of Chinara recreation area G1:O2:PG1: p5: Repair works of the historic memorial complex at Srednogorets Mount, Polkovnik Serafimovo Village G1:O2:PG1: p6: Reconstruction and hydro isolation placement of Lasl Nagi Museum House in Raikovo District G1:O2:PG1: p7: Facade and roof reconstruction of "St. Peter and Pavel" church in Levotchevo village G1:O2:PG1: p8: Facade and roof reconstruction of "St Theodor Stratilat" church in Raikovo district, Smolyan G1:O2:PG1: p9: Facade and roof reconstruction of "The Holy Mother" church in Ustovo district, Smolyan	? ? ? ? ? ? ? ? ?	? ? ? ? ? ? ? ? ?				
G1:O3:PG1: p1: Development of internship programs with Smolyan-based universities meeting demand for human resources by public and private sectors. G1:O3:PG1:p2: organize and carry out the biannual International Youth Folklore Festival Orpheus celebrations" – 2005 &2007 G1:O3:PG1: p3: Interior modernization of Alibeev Konak architectural complex (of national value) and its establishment as a cultural and training center in folklore performance arts. G1:O3:PG1: p4: May Cultural Days in Smolyan - annually	? ? ? ?	? ? ? ?				

Strategy Goals	G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality	G2: To increase the number of visitors (tourists) in the municipality	G3: To support local firms to increase sales outside the municipality	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G5: To put in place the necessary programs to retain existing, and attract new, investment	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects
LED Projects*						
G1:O3:PG1: p5: Week of live drawing arts in	?	?				
G1:O3:PG1: p6: Mummers masquerade games in Shiroka Laka Village (annually)	?	?				
G1:O3:PG1: p7: Local communities' summits	?					
G1:O4: PG1: p1: Create a municipal housing facility for disadvantaged people (single parents, disabled people, elderly people, etc.)	?					
G1:O4: PG2:p1: Pilot project "Improving Energy Efficiency in public buildings- High School of Natural Sciences and Math-Smolyan"	?					
G2:O1:PG1: p1: Identify target markets, and initiate and implement a "Visit Smolyan and the Central Rhodopes" – city and region marketing project		?				
G2:O1:PG1:p2: Rozhen National Contest in Folklore performance arts.		?				
G2:O1:PG1: p3: Initiate and implement a tourist information signposting initiative for better visitor guidance (hotels, sites, railway station etc.)		?				
G2:O1: PG1:p4: Youth Sports events calendar primary, secondary and high school students		X				
G2:O1:PG1: p5: Strengthening TIO s network performance in Smolyan municipality		?				
G2:O1:PG1: p6: Promoting Smolyan as an astronomical destination in Bulgaria	X	?				
G2:O1:PG2: p1: Cultural Exchange project "Days of Smolyan and Xanthi and Days of Xanthi in Smolyan"		?				
G2:O1:PG2: p2: Tourism opportunities in Region of Eastern Macedonia and Thrace, Greece and Rhodope Municipalities, Bulgaria		?				
G2:O1:PG3: p1: Restoration of the ethnographic Craft Street in Ustovo District, Smolyan, implementation phase 1 and II	X	?				
G2:O1:PG3: p2: "Traditions and the past – an alternative for the future", Mogilitsa village	X	?				
G2:O1:PG3: p3: Traditions for the future" for promoting cultural identity and hand weaving tradition in Smilyan Community	X	?				

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LED Projects* G2:O1:PG3: p4: Artisan demonstration workshop establishment in Shiroka Laka village	X	?				
G2:O1:PG4: p1: Creation of sports, training and recreation center, based on development of already existing infrastructure (old stadium, indoor swimming pool, multi-sports hall and accommodation facility)		?			X	
G3:O1:PG1: p1: Identify partners, and prepare project brief and programming document for the establishment of a Small Business Development Center to facilitate SME training and SME-local government relations			?	?		
G3:O1:PG2: p23: Initiate and deliver a business training program (propriety business, administration, IT, accounting, management, and)			?	?		
G3:O1:PG3: p1: Initiate and deliver a customized training and accreditation program for local producers including measures to develop local product sector and promote local, direct trading, branding etc.			?	?		
G3:O1:PG4: p1: Prepare project brief, identify funding, and establish a modest investment fund to assist SME start-ups			?			
G3:O1:PG5: p1: Produce and distribute a Directory of Local Suppliers and Products			?	?		
G3:O1:PG5: p2: Produce and distribute a 'Guide to Doing Business with the Council'			?	X		
G3:O1:PG5: p3: Initiate an internal council and local business training program on LPIs			?	X		
G3:O1:PG6: p1: Initiate and implement a cross-border trading project to establish economic ties and partnerships between Smolyan and Xanti (Greece)			?	X		
G3:O1:PG6: p2: Produce and distribute a 'Guide to Doing Business with Greece'; identify Chambers of Commerce and potential partnering opportunities for SME development and trade			?	X		
G4:O1:PG1: p1: Undertake an entrepreneurship promotion campaign in the local media by holding monthly meetings with local media on the progress of LED action				?		

Strategy Goals	G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality	G2: To increase the number of visitors (tourists) in the municipality	G3: To support local firms to increase sales outside the municipality	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G5: To put in place the necessary programs to retain existing, and attract new, investment	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects
LED Projects* planning, business enabling environment announcements etc.						
G4:O1:PG1: p2: Initiate measures to improve municipal legislation and services through a full review of business regulations and requirements			X	?		
G4:O2:PG1: p1: Identify sectoral and regional linkages for possible sector-specific business associations			X	?		
G4:O2:PG1: p2: Provide training and support facilities to the business association development program			X	?		
G5:O1:PG1: p1: Identify and survey vacant and underused public and municipal properties, and industrial sites		X			?	
G5:O1:PG1: p2: Establish a directory of public and municipal properties, and industrial sites		X			?	
G5:O1:PG1: p3: Initiate project brief and programming document to bring selected commercial sites back into to use through remediation and servicing (including Perelic project)	X	X			?	
G5:O1:PG1: p4: Preparation of a strategy for restitution, re-grouping and management of municipal forests.	X				?	
G5:O1:PG1: p5: Construction of secondary forest road Oreshets village, Golyam Dab-Razpatya	X				?	
G5:O1:PG1: p6: Construction of secondary forest road Shiroka laka – Kukuivitsa		X			?	
G5:O1:PG1: p6: Preparing a profiles of all municipal real estate property					?	
G6:O1:PG1: p1: Initiate and deliver an ongoing training program in LED principles and partnership working for local government staff and stakeholder partnership board						?
G6:O1:PG1: p2: Initiate and deliver an ongoing training program for local government staff in project development and management skills (finance and governance)						?
G6:O1:PG1: p3: Initiate an EU-accession working group to identify and learn about EU funding opportunities and criteria and other						?

Strategy Goals	G1: To improve the living conditions in the city for stopping the decrease of population and for increasing tourist attractiveness of Smolyan municipality	G2: To increase the number of visitors (tourists) in the municipality	G3: To support local firms to increase sales outside the municipality	G4: To support local firms to improve efficiency and enhance Smolyan's capacity to deliver effective and sustainable LED	G5: To put in place the necessary programs to retain existing, and attract new, investment	G6: To put in place the necessary management systems and procedures to ensure timely and effective delivery of agreed LED programs and projects
LED Projects*						
EU related community development programs G6:O2:PG1: p1: Initiate a LED M&E training program						?
G6:O2:PG1: p2: Establish M&E project leaders responsible for individual project monitoring and review						?
G6:O2:PG1: p3: Identify, establish and maintain a LED database system for the purpose of annual reporting and analysis						?
G6:O3:PG1: p1: Initiate and deliver a training program for local government staff in financial management techniques						?
G6:O3:PG1: p2: Initiate and deliver a training program for local government staff in long term financial planning and investment planning						?

CITY OF SMOLYAN LED PROJECT IMPLEMENTATION PLAN

City of Smolyan LED Projects										
No.	Project Title	Total Value in BGN	Funding Sources (%)				Implementing Partners	Project Starting Date	Duration	Targeted Group / Beneficiaries
			Donors	City Government	State or International Funds	Private Sector & Community				
1	G1:O2:PG1: p3 Reconstruction of the stone clock tower in Smilyan village	19 440	50%	50%	50%	-	Ministry of Labor	June 2004	September 2004	Unemployed and tourists
2	G1:O4: PG2:p1 Improving Energy Efficiency in public sector - High School of Natural Sciences and Maths-Raikovo District, Smolyan	231 000	100%	-	100%	-	School's Parent -Teacher Committee School Management	June 2004	18 months	High school, city budget, community
3	G2:O1:PG1: p4: Strengthening TIOs network performance in Smolyan municipality	9 800	66%	33%	33%	33%	Tourists Info Centers, Association of Hotel owners	June 2004	12 months	TIOs, tourists, community
4	G1:O1:PG2: p4: Construction of water supply system for Razvantsi area, P. Serafimovo Village	183 040	80%	20%	70%	10%	Local communities, water supply & sewerage system fund	May 2005	September 2006	Serafimovo community
5	G5:O1:PG1: p3: Construction of Sports and Tourism Center "Perelik	68 060 000	93%	7%	14%	79%	Central Government	pre-feasibility study done	not yet defined	Hotel owners, tourists and all the community
6	G2:O1:PG3: p2: "Traditions and the past – an alternative for the future", Mogilitsa village	16 400	70%	30%	70%	-	Craftsmen, Mogilitsa community	April 2004	December 2004	Craftsmen, community, tourists
7	G6:O2:PG1: p1. Initiate a LED M&E training procedure	3 000	-	100%	-	-	Cities of Change Program	July 2004	5 months	City of Smolyan Administration

City of Smolyan LED Projects

No.	Project Title	Total Value in BGN	Funding Sources (%)				Implementing Partners	Project Starting Date	Duration	Targeted Group / Beneficiaries
			Donors	City Government	State or International Funds	Private Sector & Community				
8	G1:O2:PG1: p6 Reconstruction and hydro isolation placement of Lazl Nagi Museum House in Raikovo District, Smolyan	29 368	50%	50%	50%	-	Ministry of Labor	June 2004	September 2004	Unemployed, History Museum, Raikovo community
9	G1:O3:PG1p3: Interior modernization of Alibeev Konak architectural complex (of national value) and its establishment as a cultural and training center in folklore performance arts.	625 650	98%	2%	70%	30%	Smolyan Municipality High School of Shiroka Laka Village Smolyan History Museum IT companies Construction companies	June 2004	24 months	Local community, tourists, High School of Folklore Performance Arts in Shiroka Laka village
10.	G1:O1:PG2: p8 Construction of a Waste water treatment facility /WWTF/ and sewage collectors for recreation area ARDASHLU and PAMPOROVO winter resort	1 578 158	98%	2%	-	98%	Maritsa Iztok Mining Plc, VIP-97 Ltd., Ivalko- Ltd., Border Police Directorate – Smolyan, Melinvest Privatization Fund, Multi-profile Hospital – Smolyan, Pamporovo.	June 2004	24 months	Tourists and Hotel Owners
11	“Brown field revitalization project”	155 000	90%	10%	-	90%	Business community and owners	May 2004	April 2007	Private sector and community
12	G3:O1: PG2. p2 Establishment of Business Training and Qualification Center in Smolyan	291 000	80%	20%	80%	-	Partner NGO, Businesses, Regional Employment Office	September 2004	September 2006	Unemployed people Middle management level staff of local SMEs Officials from LG in Smolyan region and Central south of Bulgaria

STRATEGY IMPLEMENTATION

Now when the strategy consisting of vision, goals, objectives, programs and desirable outputs and outcomes is drafted and some projects are defined - the major challenge is to create a mechanism and tools for implementation. First step is to developed projects relevant to desirable objectives, outputs and outcomes of programs. For each of the projects detailed action plan and budget has to be prepared by the person who is nominated as a project leader (coordinator). When the projects are prepared they should pass approval face. This face should be included in the city financial planning and budgetary process.

The structure from the vision to programs and projects presented in the tables above includes projects which are in different stages of development. Some of them are presented only as an ideas of action when others present fully developed projects. Some of them are just now under implementation and can be finished in a year. For all those projects before they are finally approved further details are or will be presented in a unified form shown in the fiche below.

Projects has to be identified, responsible persons will be nominated and detailed description, action plans and financing scheme will be developed. Program and project implementation methods and processes are to be put in place as an obligatory procedure.

LED Strategy Implementation Tools

Once when the desired set of projects for implementation of the LED strategy has been developed in Smolyan and all the ongoing and new invented projects has been presented in the form above. The city began to work out tolls for implementation.

Multiyear Financial Plan

Each municipality in Bulgaria as everywhere is obliged by law to develop and present one year budget but efficient and reasonable planning of strategy implementation requires much longer perspective then one year budgeting. In spite of many uncertainties mayor of the city took a decision to establish new rules for long term planning.

As a first step the city has developed according to a new national level regulation a very preliminary three years prognosis of revenues of the municipality of Smolyan. Next the Financial Department developed three year forecasts of operating expenditures. Results of this prognosis are presented in the table Fig. 6. Major output (the most important numbers) for implementation of the LED strategy is an operational surplus. It shows how much resources year by year can be used from the municipal budget or capital improvement program and for supporting other development project.

Prognosis of Budgetary Revenues and Expenditures for the City of Smolyan (2005-2007)

1 USD = 1.64 PLN	Execution	Plan	Prognosis		
Fiscal year	2003	2004	2005	2006	2007
REVENUES (in thousands of BGN)	13,782	13,720	14,353	15,078	15,759
OWN REVENUES	4,448	4,735	5,098	5,546	5,941
TAXES	1,018	999	1,250	1,340	1,420
Other own revenues	3,431	3,736	3,848	4,206	4,521
Subsidies	9,334	8,985	9,255	9,532	9,818
Delegated tasks	9,272	8,762	9,025	9,295	9,574
Municipal tasks	63	223	230	237	244
OPERATING EXPENDITURES	12,130	13,233	13,534	14,272	14,950
STATE DELEGATED TASKS	8,513	8,868	9,134	9,408	9,690
Administration	851	968	997	1,027	1,058
Education	5,621	5,571	5,739	5,911	6,088
Social services	828	1,115	1,149	1,183	1,219
Culture and Recreation	543	560	576	594	611
Others	670	654	673	694	714
MUNICIPAL TASKS	3,616	4,365	4,400	4,864	5,260
Administration	451	746	753	753	753
Education	441	506	518	530	542
Housing, communal services	745	913	907	937	999
Culture and Recreation	359	493	498	512	526
Economic Activity	1,479	1,623	1,635	2,040	2,345
Others	141	85	89	92	95
OPERATING SURPLUS	1,653	487	819	806	809
CIP expenditure	1,949	917	775	790	810

Multiyear Investment Planning Procedure

The next important task of the Implementation Phase was to develop a ranking list of prepared projects to compare their budgetary requirements with municipal budget capabilities to finance and support them. The process is quite complex as some projects can be co-financed by external sources. The final plan shows the set of projects with a timescale and their budgets coordinated with a multiyear financial plan and a forecast of external financing. The municipality of Smolyan developed a Multiyear Investment Planning procedure that will help to develop the above plans.

The procedure can be supported by public domain software called WPR 2.1 developed in Poland under Local Government Partnership Program funded by USAID now available in English language version. When the new updated strategy document is approved the mayor is to create a MIP commission consisting of head of city hall departments and units, some representatives of City Council commissions, some representatives of stakeholders (not more than 10 people). The major tasks of the MIP commission is to advise to the mayor in following issues:

- Proposal of criteria based mostly on the city strategy;
- Methodology of projects evaluation and selection;
- Proposal of a content of project application forms;
- Step by step description of the process;
- Procedure of workflow with calendar and responsibilities; and,
- Review of project application and propose a ranking list of projects to be included in next year's city budgets.

The MIP commission will be chaired by relevant deputy mayor. The MIP coordinator is responsible for preparing all the draft materials that are to be discussed by the MIP commission and for developing them further according to the MIP commission guidelines.

All the eligible parties (also city units and departments) when proposing some investment projects to be financed out of the city budget will be obliged to do this according to the new procedure. Any project that does not fulfill the requirements of the MIP procedure cannot be placed in the city budget or in the Multiyear Investment Plan.

The first stage of project development is completing up the fiches above. In order to place the project in the Multiyear Investment Plan further data has to be collected and presented. For unifying the application of presenting those data forms A and B (Figure 7 and 8) has been developed.

Next in the Figure 9, a foreseen calendar is presented. It shows the timescale in which the city is going every year (after evaluation of progress and taking into account new data) to update the plan and coordinate it with required by law one-year budgeting process. Next tool that is presented in figure 10 is a proposition of Criteria with their Weights and Points. It is common that always there is more project ideas than the city budget can afford, than it is necessary to have a toll for sorting out projects and develop a ranking list taking into account priorities of the strategy as well as external financing possibility. The list presented in Figure 10 is to be discussed and finally criteria for sorting out the projects should be approved by the council together with the strategy document. Of course the ranking list as an automatic result of the scoring system used by the professionals cannot replace final budgetary discussion and final decision, but it is to give possibly the most unbiased input for this discussion.

FORM A

- 1 Project ID
- 2 Name of project
- 3 Who propose it
- 4 Goals to be achieved
- 4.1 Outcomes (results seen from long time perspective)
- 4.2 Outputs (immediate results)
- 4.3 Advantages, when the projects is implemented
 - 1. Economic (including impact on the city budget)
 - 2. Social (including - how many citiz ens will benefit)
 - 3. Environmental
 - 4. Others
- 5 Type of project (construction, renovation, buying equipment)
- 6 Social support and participation
- 7 Scope of work (parameters, numbers, standards)
- 8 Place of construction
- 9 Duration (in months)

10 **How Far the Project is Developed**

How Far the Project is Developed		
1. Functional and spatial concept	YES	NO
2. Feasibility study	YES	NO
3. Technical design	YES	NO
4. Environmental impact assessment	YES	NO
5. Construction permit issued	YES	NO
6. Accessibility of land	YES	NO
7. Under construction	YES	NO
80% done		
50% done		
30% done		

11 **Total Cost Estimation**

12

Financing of the Project					
Year	Total Expenditures	City Budget	Bulgarian Public Resources	European Funds	Others
2004					
2005					
2006					
2007					
2008					

13 Remarks

FIG. 7

FORM B

1	How far the Project is Developed			Estimate			
				Spend Resources	Needed Resources	Duration	Deadline
	1. Functional and spatial concept	YES	NO				
	2. Feasibility study	YES	NO				
	3. Technical design	YES	NO				
	4. Environmental impact assessment	YES	NO				
	5. Construction permit issued	YES	NO				
	6. Accessibility of land	YES	NO				
	7. Construction phase	YES	NO				

2 Scope of work (parameters, numbers, standards)

3 Financing of the project

Years	Total Expenditures	City Budget	Bulgarian Public Resources	European Funds	Credits and Loans	Others
2002						
2003						
2004						
2005						
2006						
2007						
2008						

4 Base for cost calculation

Estimation
 Cost of similar projects
 Unit cost
 Cost calculation

5 Level of guarantee of external financing

Proposition
 Some initial agreement
 Financing confirmed

Proposed Criteria, their Weights and Points for scoring system leading to develop a ranking list of projects for being placed in Multiyear Investment Plan of Smolyan

Weights				
Strategic projects	Local projects		Proposition of criteria for MIP project choice	Points
%	%			
30		1	The project implements strategic goal	
		a	The project implement very well at least 2 strategic goals	1
		b	The project implement very well 1 strategic goals	0,5
		c	The project implements well at least 2 strategic goals	0,5
		d	The project implements well 1 strategic goals	0,2
15	15	2	The ongoing project to be finish soon	
		a	80% done	1
		b	50-80% done	0,5
		c	30-50% done	0,2
30	30	3	Level of external grant financing (preferential credits may be added)	
		a	Above 60%	1
		b	40 - 59%	0,5
		c	20 - 39%	0,2
	15	4	Number of inhabitants who benefit	
		a	All local community citizens	1
		b	More than 50%	0,5
		c	Between 20 and 50%	0,2
10		5	Impact on the city budget	
		a	A positive impact can be calculated and is remarkable	1
		b	Project is expected to give some saving or revenues	0,5
		c	No positive influence	0
	30	6	Public support and participation	
			Local community participate in expenditures	
		a	Above 25%	1
		b	Between 10 and 24%	0,5
		c	Nothing	0
15	10	7	Positive influence on other projects	
		a	Very important for other high priority projects	1
		b	Support other projects	0,5
		c	No influence	0

MONITORING AND EVALUATION OF THE STRATEGY IMPLEMENTATION

Implementing the strategy requires tools for monitoring of progress. The Smolyan team has developed a simple system that is planned to be officially approved and implement from 2004 when the strategy update takes place. For the strategy, the Department of Investment and Tourism is to propose for each of goals and objectives (programs) at least one outcome measure. The proposition can be presented in a form of a table like below:

Goal or Program	Name of Indicator	Definition of Indicator	Source of Data	Initial Value	Current Value

It is recommended to propose more indicators and make the final choice after having discussions with politicians. It is also important to make these choices in agreement with the political opposition as these measures should be applied for long periods to keep comparability. When there is an agreement of the choice it is necessary to define indicators precisely and charge a unit (or a person) responsible for collecting needed data as well as measure the initial value of the indicator.

The following steps are suggested:

Step 1. Choosing of the indicators that characterize in best way what we would like to achieve as a long-term impact. For each of indicator a timetable is proposed.

Step 2. Defining of data needed for calculation of indicators and establishing of responsibility for collecting them.

Step 3. Collection of initial data as a base.

Step 4. Collecting data in required intervals.

Step 5. Analyzing of results, evaluation of progress and suggestion how it should influence further implementation or even updating of the strategy.

For each of projects an output measures has to be defined

It is responsibility of a unit or person who proposes the projects to define output indicators for the projects. The indicators should reflect the most important factors which allow an evaluation of whether the project successfully implements the strategy as well as whether its management is efficient enough.

Each of Projects should have defined set of output measures. In addition to indicators for evaluation some milestones for purpose of monitoring has to be established. Milestones are usually defined when some characteristic stages are finished on which it is easy to check whether the project is on time and within planned costs. Definition of an indicator is a responsibility of the proposer but it has to be approved by relevant deputy mayor. Proposition of milestones as well as responsibility for the monitoring should be placed in a city unit or a city hall department that supervises the project implementation phase. For monitoring of progress a table like below can be used.

Project Name

Milestone	Planned Stage	Done or Not	Planned Expenditures	Money Spent	Comments	Forecast and Planned Interventions

Final Evaluation of set of Projects:

Project	Planned Scope of work	Done scope of work	Planned Total Expenditures	Money Spent in Total	Comments	Value of ind	Value of ind.	Value of indn

Project indicator examples:

- Relation of planned scope of work to the one which was done
- Relation of money spent to those which was planned
- Unit cost (when can be compared with other similar projects)
- Satisfaction level measured by survey of users opinion

Strategy Review

In each year until the end of June, the Investment and Tourism Department has to develop outcome measures report for the strategy for the preceding yearly period and present the report to the mayor. The report has to include the definitions of indicators, historical values from previous years and current values of them. The Department presents also analysis and conclusions. The report should be input for a strategy review the mayor lead before issuing guidelines for the next year planning.

Project Monitoring

Every year after updating of the Multiyear Investment Program and approval of the city budget all units and departments which supervise projects has to deliver monitoring and evaluation plan for each of the projects to the MIP coordinator. The plan consists of tables like above filled out with data and calendar of actions that are to be taken during the year to monitor progress and measure indicator values.

CITY OF SMOLYAN – EXAMPLES OF LED PROJECT ACTION PLANS

Project Title: G1:O1:PG2: p8 Construction of a Waste water treatment facility and sewage collector for the recreation area ARDASHLU and PAMPOROVO winter resort		Relevance to Strategy Program: G1:O1:PG2 : Improving environmental management through modernization of existing and construction of extensions of the water supply and sewage waters system	
Brief Description of the Project: The objective of the project is to reduce environmental pollution from wastewater through the construction of a wastewater treatment facility and leading sewage collectors for purification of wastewaters produced by hotels and catering facilities in the recreation area ARDASHLA and Pamporovo ski resort. Activities will include the construction of: Leading collector 1 of total length 1,051m, Ø 300 mm Leading collector 1a of total length 135m, Ø 300 mm Leading collector 2 of total length 297m, Ø 300 mm Leading collector 3 of total length 1,607m., Ø 300 mm A wastewater treatment facility ARDASHLU with a capacity for purification of 180 cubic meters of sewage waters, or hourly capacity of 7.5 cubic meters.			
Expected Outcome/Results: Secure collection and removal of wastewater from existing and projected hotel, catering, recreation and housing facilities in the areas stated above and their purification. Reduction of pollution and the restoration of biodiversity in Golyama River where the treated waters will be disposed of. Improving the overall tourist attractiveness of ARDASHLU recreation area		Target Groups: The approximately 11,500 annual tourists that benefit from recreation and tourism opportunities in the target area of the project. Businesses, including hotels, catering and housing facilities that make use of the wastewater facilities.	
Participants in the Project: Maritsa Iztok Mining Plc, VIP-97 Ltd., Ivalko- Ltd., Border Police Directorate – Smolyan, Melinvest Privatization Fund, Institute in Orchards and Food Processing – Plovdiv, Multi-profile Hospital – Smolyan, Pamporovo Holding group, Elina Plc, Markoni Ltd, Zeus Travel Investment Ltd., Mortimor Plc, Pamporovo Travel Group.			
Success Assumptions: Full project designs developed Budget provisions for real estate buy off of land the facilities will be located on Application procedure for grant funding in process State Enterprise for Environmental Management Activities /SEFEMA/		Risks: New priority set of the potential funding institution SEFEMA	
Project Budget:			
Total: 1,578,158 BGN		Municipal Contributions: 20,000 BGN	External Funding: SEFEMA 1,558,158 BGN
Project Duration: From: 2004 To: July 2006		Completion Deadline: July 2006	

Prepared by: Name: Y. Vladimirov

Position: Senior Expert, Construction, Supervision and Environmental Department, Smolyan Municipality

Project Title: G5:O1:PG1: p1 “Brown field revitalization project”		Relevance to Strategy Program: G5:O1:PG1: Investment Attraction and Retention Program	
Brief Description of the Project: The aim of this project is to prepare a full inventory of municipal Brownfield sites and revitalize them through finding new designations for them and investors to revitalize them. Activities: Make a full inventory of municipal Brownfield sites owned by the municipality Make an assessment of their value and possible new designation according to location and social importance. Prepare investment profiles of Brownfield sites and promote them as a development opportunity for businesses. Contracting revitalization activities for at least ten Brownfield sites from 2004 to 2007			
Expected Outcome/Results: A portfolio of Brownfield sites with potential for revitalization Businesses interested in Brownfields redevelopment 10 Brownfield sites redeveloped by 2007		Target Groups: Private businesses NGOs Individual Entrepreneurs	
Participants in the Project: Smolyan Municipality Experts from the Municipal Property Department External investment experts Entrepreneurs			
Success Assumptions: Commitment of local administration Interest of entrepreneurs and businesses in redeveloping brownfield sites Existing good practices in Bulgaria		Risks: Insufficient interest in brownfield sites for which their will be a requirement to preserve their social function	
Project Budget:			
Total: 155,000 BGN	Municipal Contributions: 15,500 BGN		External Funding: Businesses 139,500 BGN
Project Duration: From: May 2004 To: April 2007		Completion Deadline: April 2007	

Prepared by: Name: R. Halvadjieva
Position: Head of Municipal property Department
Institution/organization: Smolyan Municipality

Project Title: G3:O1: PG2. p2 Establishment of Business Training and Qualification Center in Smolyan		Relevance to Strategy Program G3:O1: PG2: Initiate and deliver a business training program in propriety businesses, administration, accounting, management, marketing	
Brief Description of the Project: The goal of the project is to establish a Business Training and Qualification Center (BTQC) in Smolyan to deliver orientation, qualification and management training to local small and medium sized enterprises (SMEs) and the public administration. Activities: Identify funding sources to implement reconstruction and modernization activities of the building to host the BTQC Identify a partner NGO to operate jointly the BTQC with the Municipality Implement modernization activities as well as training equipment for the BTQC Survey labor market demand and develop relevant training programs according to findings of the survey Start first series of training course Permanent operation of the BTQC			
Expected Outcome/Results: Modernized premises of the future BTQC by May 2006 Secure a partner NGO to contribute to the provision and training program development according to local SME demand 4 completed and delivered training courses by September 2006 The sustainable operation of the BTQC		Target Groups: Unemployed people with higher education irrelevant to local labor demand Middle management level staff of local SMEs Officials from local governments in Smolyan region and Central south of Bulgaria	
Participants in the Project: Smolyan Municipality, Partner NGO, Businesses, Regional Employment Office			
Success Assumptions: Funding identified for modernization works on premises Identified NGO involved in project development activities and accredited for delivery of business training		Risks: Unsecured funding for equipment of the premises	
Project Budget:			
Total: 29,000 BGN	Municipal Contributions: 58,200 BGN	External Funding: SIF: 77,600 BGN MEER: 52,800 BGN UNF: 48,500 BGN FLGR: 48,500 BGN	
Project Duration: From: September 2004 To: September 2006		Completion Deadline: September 2006	

Prepared by: Name: I. Godev
 Position: Head of Tourism and Investment Department
 Institution/organization: Smolyan Municipality

Project Title: G1:O2:PG1: p3 Reconstruction of the stone clock tower in Smilyan Village		Relevance to Strategy Program: G1:O2:PG1 “Beautiful Bulgaria Program (BPP) Phase IV”	
Brief Description of the Project: The stone clock tower in Smilyan was built in the 17th Century and from the beginning of the 20 th Century has been used as a military guard facility by the authorities. Since the first decade of the 20 th Century, when a clock mechanism was installed, the tower has been utilized for civic purposes. It is the only stone-built clock tower in the municipality and its depiction is a part of the local community’s heraldic sign. Project objective: To implement renovation works on the Clock Tower and improve the overall attractiveness of the site by turning it into a recreation area. Project activities include: Repair of the tower’s façade and the wooden framing and copper roof Install a new wooden staircase inside the tower to allow access to the clock mechanism Improve the vertical and horizontal planning of the site, install wooden benches and shades			
Expected Outcome/Results: Improving the qualification of 7 jobless people Opening 9 temporary jobs, each of 3 months duration Improving the tourist attractiveness of the village Participants in the Project: Smolyan Municipality Ministry of Labor and Social Policy UNDP		Target Groups: 9 unemployed persons from the local community, 7 of whom will improve their chances on labor market by undergoing professional qualification course in construction works Local population Project Beneficiaries: Local population Tourists, visiting Smilyan and Smolyan municipality in general	
Success Assumptions: Experience of Smolyan Municipality in the previous phases of BBP, in partnership with MLSP and UNDP Appointed official in local administration who deals with BBP projects		Risks: Lack of unemployed people from the local community with the appropriate preliminary qualification to be employed for project’s activities implementation	
Project Budget:			
Total: 19,440 BGN		Municipal Contributions: 9,720 BGN	External Funding: BBP: 9,720 BGN
Project Duration: From: June 2004 To: September 2004		Completion Deadline: September 30 th , 2004	

Prepared by: Name: Rosetta Buikova
Position: Chief Expert, Coordinator BBP
Institution/organization: Smolyan Municipality, ASPE Directorate

Project Title: G1:O4: PG2: p1: Improving Energy Efficiency in the public sector High School of Natural Sciences and Maths, Raikovo District, Smolyan		Relevance to Strategy Program : G1: O4: P2: Improving the state of the material and technical base of educational institutions in Smolyan Municipality	
Brief Description of the Project: Improving energy efficiency in the High School of Natural Sciences and Maths Raikovo District, Smolyan, to reduce public spending in the long run. The school is one of the oldest high schools in the municipality and is listed in the top thirty elite high school institutions in the country. The “new” wing was constructed in 1971 using technologies incompatible with energy efficiency strategies and unfamiliar for the public sector in that period. Activities include: Development of full project designs Installation of thermo-isolation and replacement of the existing window and doorframes.			
Expected Outcome/Results: Improved ability to heat the school effectively and cost efficiently Reduction in expenditures by 25% compared to present levels of heating expenses.		Target Groups: 581 students 48 teachers 11 other staff	
Participants in the Project: School Parent -Teacher Committee School Management Businesses as potential sub-contractors			
Success Assumptions: Experience of the Teacher-Parent Committee, the School management and Smolyan Municipality in implementation of joint projects Effectuated procedure for development of full project design Identified sub-contractors with capacity to implement the project works Identified donor program and approved project idea at first evaluation phase.		Risks: Change in priorities of the donor program	
Project Budget: Total: 231,000 BGN		Municipal Contributions: - External Funding: European Bank for Reconstruction and Development: 75% Ministry of Energy and Energy Resources: 25%	
Project Duration: From: 2004 To: 2005		Implementation Deadline: 2005	

Prepared by: Name: ????????? ???????
 Position: ?? ??????? “?????????????”
 Institution/organization: ? ?? ??? ???????

<p>Project Title: G1:O3:PG1p3:Interior modernization of Alibeev Konak architectural complex (of national value) and its establishment as a cultural and training center in folklore performance arts</p>	<p>Relevance to Strategy Program : G1:O3:PG1: Education and Cultural Services Program</p>
<p>Brief Description of the Project: Project Goals:</p> <ul style="list-style-type: none"> ▪ To Enhance the tourist product of the municipality by investments in cultural heritage ▪ To improve the quality of cultural tourism offer of Smolyan municipality by establishment of new products and extending the access to existing cultural sites (Smolyan History Museum) to disabled people ▪ To promote the cultural tourism offer of the municipality by development of internet and multi-media based promotion campaign <p>Project activities include: Preparation of technical designs, full renovation of the interior of the national cultural architectural monument “Alibeev Konak”, District of Gorno Raikovo, Smolyan, as well as adjustment of its premises for tourist accommodation and for the needs of training into traditional Rhodope folklore performance arts (folklore singing, dancing and playing musical instruments), as well as a demonstration center of traditional Rhodope cuisine. Improvement of related public infrastructure and reconstruction of the street leading to Alibeev Konak, including sidewalks and street lightning Adjusting the permanent display of Smolyan’s History Museum for access for disabled people by purchasing and installing special platforms and technical devices to allow such access Assessment of existing cultural resources related to traditional community summits (<i>șabori</i>), to Rhodope folklore performance arts and traditional Rhodope cuisine, and their organization into new cultural tourism products Promotion of the cultural available in Smolyan municipality, including new products developed by means of printed materials, Internet promotion, promotional tours and participation in national and international tourist exchanges</p>	
<p>Expected Outcome/Results: Creation of new jobs:</p> <ul style="list-style-type: none"> ▪ 73 jobs in construction and renovation activities, with duration between 2 and 6 months. ▪ 3 permanent jobs, 1 full-time, 2 part-time ▪ Employment of external experts for product development 5 ▪ Improvement of quality of life standards for citizens ▪ Improved attractiveness of the residence area in Gorno Raikovo District, reconstructed Shipka street, where an estimate of 1000 people live ▪ Access for disabled people to Permanent exposition of Smolyan History museum ▪ Local ownership of project knowledge products Creation of multi-language promotional tool kit to be use by all stakeholders in tourism: ▪ Circulation of 2000 copies of “Temptations of Rhodope Cuisine” brochure in four languages ▪ Circulation of 12000 copies of promotional leaflets presenting the cultural offer of the region. ▪ Creation of a web -site, allowing on -going utilization of promotional activities ▪ Creation of multi-media CD-ROM in circulation of 1000 copies. 	<p>Target Groups:</p> <ul style="list-style-type: none"> ▪ 76 people employed for project implementation, equaling to 3,214 workdays ▪ Bulgarian and foreign tourists ▪ Bulgarian and foreign intermediaries on tourist market ▪ The High School of Folklore Performance Arts in Shiroka Laka village ▪ Smolyan History Museum ▪ Local tourists; people from local communities ▪ Local tourism-related businesses and IT companies
<p>Participants in the Project: Smolyan Municipality High School of Folklore performing Arts in Shiroka Laka Village Smolyan History Museum IT companies Construction companies</p>	

<p>Success Assumptions: Availability of full designs for project works Identified potential sub-contractors for supplies and services Experts in restoration works in available locally Advanced negotiations with relevant central government agencies for securing external funding Approval from the National Institute of Cultural Monuments passed.</p>		<p>Risks: External funding still to be secured Drastic change in tourist demand</p>
<p>Project Budget:</p>		
<p>Total: 625,650 BGN</p>	<p>Municipal Contributions: 11,562 BGN (1.5%)</p>	<p>External Funding: 614,050 BGN Pre-accession instruments 70%, Private funding 30%</p>
<p>Project Duration: From: 2004 To: 2006</p>		<p>Completion Deadline: September 2006</p>

Prepared by:

Name: Ilia Godev, Tanya Mareva and Maria Luincheva

Position: Head of Tourism Department Position: Director of President

Institution: Smolyan Municipality, Smolyan History Museum, Luincheva Designs Ltd

Project Title: G1:O2:PG1: p6: Reconstruction and hydro isolation placement of Lazl Nagi Museum House in Raikovo District, Smolyan		Relevance to Strategy Program : G1:O2:PG1: “Beautiful Bulgaria Program (BPP) Phase IV”	
Brief Description of the Project: The building of the present Lazlo Nagi Museum was built 120 years ago in the typical Bulgarian Revival style for Central Rhodope region, and was inhabited by a craftsman’s family. The building is one of the municipal sites declared an architectural monument of national value. The project objective is to improve the overall condition of the building by outside repair, placement of hydro-isolation and hydro-drainage of surface waters to prevent further damages in the construction. Project activities include: Repair of roof construction and bath facility in the building Refreshment of white-wash of facades and interior Hydro –drainage and hydro-isolation placement			
Expected Outcome/Results: Professional training of 10 persons to acquire qualification needed for reconstruction works Opening 13 job places for duration of 3 months Improving the tourist attractiveness of the location, where the building is situated Dolno Raikovo district Preserving the variety of tourist sites within the town of Smolyan		Target Groups: 13 people to be employed for construction work on the Smolyan History Museum	
Participants in the Project: Ministry Of Labour And Social Policy UNDP Smolyan Municipality		Project Beneficiaries: History Museum –Smolyan, proprietor of the Lazlo Nagi museum The people employed for construction works implementation The community in Dolno Raikovo district and tourist visiting Smolyan	
Success Assumptions: Experience of Smolyan Municipality in the previous phases of BBP, in partnership with MLSP and UNDP. Appointed official in local administration who deals with BB projects		Risks: Delay in coordination procedures with the National institute of Cultural Monuments	
Project Budget:			
Total: 29,368 ??		Municipal Contributions: 14,839 ??	External Funding: MLSP, UNDP: 14,839 ??
Project Duration: From June 2004 To: Sept 2004		Completion Deadline: September 30 th , 2004	

Prepared by: Name: Rosetta Buikova
 Position: Chief expert, Coordinator BBP
 Institution/organization: Smolyan Municipality, ASPE Directorate

Project Title: G6:O2:PG1: p1: Initiate an LED M&E training procedure		Relevance to Strategy Program: G6:O2:PG1: LED Monitoring and Evaluation Program	
Brief Description of the Project: Goal of the project: Build capacity within the local administration and stakeholders' group to perform the annual monitoring and evaluation of LED implementation, as well as to institutionalize its management. Activities: Appoint an LED M&E Coordinator from management level in the Municipality Establish an M&E Committee with local government experts and stakeholders Develop appropriate training programs and train members of the M&E Committee in the application of LED M&E procedures and tools Carry out monitoring and evaluation of LED implementation from July to November each year in order M&E reports be used for next fiscal year planning			
Expected Outcome/Results: Institutionalization of LED management by establishing M&E Committee Improve long-term financial and capital investment planning through training in and application of M&E procedures Annual M&E reports each November Improved public-private partnership		Target Groups: Local government officials Stakeholders Board	
Participants in the Project: Local government officials, Stakeholders Board			
Success Assumptions: Political support for M&E on LED Support of stakeholders Experience of Smolyan municipality on implementation of citizen participation models		Risks: Change in national regulation reducing LG competencies in planning for development	
Project Budget:			
Total: 1,500 Euro	Municipal Contributions: 1,500 Euro	External Funding: -	
Project Duration: From: July 2004 To: November 2007		Completion Deadline: November 2007	

Prepared by:
Name: D. Shupeva
Position: EU Integration expert
Institution/organization: Smolyan Municipality

Project Title: G5:O1:PG1: p3: Construction of Sports and Tourism Center “Perelik”		Relevance to Strategy Program : Improvement in sport/recreation infrastructure G5: Attraction of new investments G2: Increasing the number of visitors (tourists) in the municipality (long term impact)	
Brief Description of the Project: The project requires multiannual investments, and includes the following activities: Construction of 8 networks of ski-tracks with total horizontal length 29,775 meters, Construction of servitude areas at a total area of 500 hectares, non-monolithic catering establishments with a capacity of 1,550 people. Detached spaces for emergency accommodation with a capacity of 200 people, Ski lifts and rope-line with a total length of 25,000 meters, Transportation infrastructure: parking places, connecting road, ski-grounds, sanitary facilities			
Expected Outcome/Results: Formation of 100 new places of work Construction of ski- tracks with total horizontal length 29,775 meters. Available additional services infrastructure to provide servicing 1,550 people daily Construction of ski lifts and rope-line with a total length of 25,000 meters. Construction of parking places, ski- grounds. Improved competitiveness of Smolyan compared with other winter sports centers in Bulgaria		Target Groups: Tourists in the municipality Citizens of Municipality of Smolyan Sports clubs and federations Hotel and restaurant owners Smolyan Municipality	
Participants in the Project: Municipality of Smolyan Stockholders and owners of terrains Strategic investors		Municipal Contribution/Financial and in-kind: 2,500,000 USD	
Success Assumptions: Presence of suitable terrain and long winter The experiences of the Municipality of Smolyan at the construction of sport and tourist infrastructure Approved environmental assessment of project’s impact Approved Spatial planning for the site.		Risks: Suspension of the financing	
Project Budget:			
Total: 68,060,000 BGN	Municipal Contributions: 4,100,000 BGN	External Funding: 6,390,000 BGN	
Project Duration: It is necessary a presence of complete investment and technical project for the determination of the project duration		Completion Deadline: Not yet confirmed	

Prepared by: Name:
Position:
Institution/organization:

Project Title: G2:O1:PG3: p2: Traditions and the past: An alternative for the Future, Mogilitsa village		Relevance to Strategy Program: 2002-2006 G2:O1:PG3: Rhodope Crafts Program	
Brief Description of the Project: The goal of this project is development of a demonstration center to promote crafts-related tradition of the local community among both the community's members and tourists, visiting the area. Objective of the projects: <ul style="list-style-type: none"> To preserve local cultural heritage by creating conditions for continuity among generations through training of young people in practicing traditional Rhodope crafts To establish demonstration workshops to operate as tourist attraction sites in order to fill in the gap by restitution of the major site (Agushevi Konatsi) as primary site, visited by tourists visiting Upper Arda River area To open a souvenir shop selling crafts product produced by local craftsmen To promote the tourism opportunity and local community's tradition at national and international level 			
Activities: <ul style="list-style-type: none"> Survey on crafts tradition in the area Development of training programs and conduct of training of local young people in crafts skills Preparation and publication of promotional materials and installation of information boards for tourists Establishment of a demonstration crafts center and souvenir shop for sale of crafts product 			
Expected Outcome/Results: Database creation on characteristics of local crafts Developed map of crafts in Upper Arda River area Developed training materials, purchased craft equipment and conducted training of local young people in Rhodope crafts skills (woodcarving, metalwork and traditional weaving) Established and operating Crafts Demonstration Center with craftsmen workshops adjusted for tourist visits in Mogilitsa Village, and operational retail outlet for sale of craft products Improved information infrastructure through installation of tourist info and guiding signs for the village and the area		Target Groups: 18 presently practicing local craftsmen and newly trained young people that will enrich their knowledge of traditional Rhodope crafts and their artistic characteristics 11 hotel owners include in the product improvement program Local Tourism Council Mogilitsa Mayor including improved income opportunities for community members	
Participants in the Project: 18 local craftsmen Local private businesses including eleven hotel owners in the area of Mogilitsa Local Tourism Council in Mogilitsa			
Success Assumptions: Continuity of tourism development policy carried by Smolyan Municipality Experience of LTC-Mogilitsa in Tourism development projects Established track record of cooperation between Smolyan Municipality and LTC (Mogilitsa) Approved and secured external funding Availability of craft tradition in the project site		Risks: Lack of interest in project participation of some local stakeholders	
Project Budget:			
Total: 1,640,397 BGN		Municipal Contributions: 4934,97 BGN	External Funding: 1,1469,00 BGN
Project Duration: From: April 2004 To: December 2004		Completion Deadline: December 2004	

Prepared by:
Name: M. Chochev
Position: Chair of MB of LTC (Mogilitsa)
Institution/organization: Local Tourism Council (Mogilitsa)

Project Title: G1:O1:PG2: p4: Construction of water supply system for Razvantzi area, P. Serafimovo Village		Relevance to Strategy Program: G1:O1:PG2: Wastewater Improvement Program Identify and prepare project briefs and programming documents for specific wastewater improvement projects	
Brief Description of the Project: The project includes the construction of a water tank, basin, cistern, reservoir and water conduit to ensure the extra supply of water to the population of the village of Serafimovo. The overlying water quantity from the new reservoir joins to the existing reservoir on a lower elevation. The length of the water-conduit: 1,956 meters, reservoir 15 square meters, 16 pumping-shaft			
Expected Outcome/Results: It should ensure a normal water supply for the population of drinking water, and should also minimize the maintenance and repair expenses associated with the water supply and sewerage system. Improvement of anti-fire protection and improvement of the drinking water quality		Target Groups: The population of the village of Serafimovo, neighborhood Razvantzi: 219 inhabitants	
Participants in the Project: Smolyan Municipality Department of Construction, Constructional Control and Ecology The population of village of Serafimovo and the neighborhood Razvantzi (219 inhabitants) Water Supply & Sewerage system Smolyan Social Investment Fund		Municipal Contribution/Financial and in-kind: Investment control Constructional control	
Success Assumptions: Strong social impact and the creation of a functional infrastructure. It is a crucial factor for a normal life and development of the village		Risks: If it becomes impossible to ensure the necessary financial resources.	
Project Budget:			
Total: 183,044 BGN	Municipal Contributions: 36,700 BGN	External Funding: 146,344 BGN	
Project Duration: From: May 2005 To: September 2006		Completion Deadline: September 2006	

Prepared by: Name: Y. Vladimirov

Position: Chief Expert Water supply and Sewage system Construction

Institution/organization: Construction, Supervision of Works and Ecology Department, Smolyan Municipality

Project Title: G2:O1:PG1: p4: Strengthening TIOs network performance in Smolyan municipality Duration : 12 months beginning June 2004		Relevance to Strategy Program: G2:O1:PG1: Smolyan Tourism Promotion Program	
Brief Description of the Project: The project has three objectives, for the achievement of which specific activities are planned: <ul style="list-style-type: none"> ▪ The first objective of the project is the publication of a informational guide for the region containing information on tourist destinations as well as tourist accommodations and amenities. The guide, to be published twice a year, is the first of its kind in the region. The guide will be distributed by the four tourist information centers (Smolyan, Mogilitsa, Momchilovtsi, Shiroka Luka), and Smolyan Hoteliers and Restaurateurs Association, and will be made available at the Smolyan Regional Library, Historical Museum and Planetarium ▪ The second objective is to purchase special display equipment for the organization and display of the guide and other tourist-related information ▪ The third objective of the project is to better collect and manage tourist related information through the purchase of computer equipment for the Smolyan Municipal Tourist Information Center. The duration of the project is expected to last approximately one year 			
Expected Outcome/Results: Publication of two issues of Smolyan Tour Info Guide, each in circulation of 2,000 copies Improved display of tourist related materials Setting and operation of a more efficient and effective collection, management Dissemination of the tourist information		Target Groups: TIOs in Smolyan Tourism Stakeholders Smolyan local administration Public tourist sites in the municipality	
Participants in the Project : Smolyan Municipality, Smolyan Municipal Tourist Information Center, Shiroka Luka Tourist Information Center, Mogilitsa Tourist Information Center, Momchilovtsi Information Center, Smolyan Hoteliers and Restaurateurs Association, Rhodopi Regional Tourism Association.			
Success Assumptions : Experience of the partners in preparing promotional materials at local and regional level (Regional tourist Association, Hotel and Restaurateurs Association, Municipal Tourism Department) Good partnership history of the parties listed above		Risks : There is always the risk that the guide will be ill-received or information in the guide will be inadequate for tourists, thus failing to increase tourism in the region.	
Project Budget:			
Total: Total cost of the project amount to: 9,787 BGN (USD\$ 6,132)	Municipal Contributions: 3,290 BGN	External Funding : 531 BGN	
Project Duration From: June 2004 To: May 2005		Implementation Deadline : May 2005	

Prepared by: Adam Bramm
Position: PC Volunteer/Internship in T&I Dept.
Institution/organization: Smolyan Municipal

CITY OF REZEKNE



**STRATEGY FOR
LOCAL ECONOMIC DEVELOPMENT
2004-2010**

**Rezekne
September, 2004**

Disclaimer

This strategy has been written by the City of Rezekne Municipal Team with advice and guidance from the World Bank Group and the Bertelsmann Foundation. The World Bank Group and Bertelsmann Foundation do not accept any liability for the accuracy or content of this strategy; they do however congratulate the Municipal Team for the quality of this work.

INTRODUCTION

Located in the southeast part of Latvia, the city of Rezekne is centrally situated in the rural Latgalia region in close proximity to the region's ports and main cities. Rezekne lies within the main Warsaw-St. Petersburg-Riga-Moscow motorway corridor.

During the 1980s and 1990s, the majority of Rezekne's factories operated in traditional industries and these experienced increasing competition from international competitors as a result of changes in the world economy. Throughout the 1990s, a number of Rezekne's major companies were forced to close resulting in soaring unemployment and growing social problems. During this time, Rezekne faced a number of serious challenges:

- The collapse of traditional industries and markets, particularly those industries that produced for the large Soviet Union market
- Social integration of a multinational community
- Redevelopment of a poor technical infrastructure
- The strengthening of local government institutions responsible for the local community

During this period, city representatives sought to establish international contacts to share experience with other cities that had faced similar problems. In 1999, Rezekne joined a network of central European cities established as part of the Cities of Change program initiated by the World Bank and the Bertelsmann Foundation. Rezekne, together with a number of other cities, participated in the Economic Development Cluster. A primary aim of the cluster was to develop a local economic development strategy to strengthen LED institutional capacity within the city administration.

The program methodology was based on a five stage approach to LED strategic planning that included:

- Organizing the Effort
- Conducting the Local Economy Assessment
- Developing the LED Strategy
- Strategy Implementation
- Strategy Review: Developing a monitoring and evaluation system

Towards the end of 2000, Rezekne City Council adopted appropriate institutional structures to develop a local economic development strategy. A cross-departmental working group was established to support the strategy output process, and comprised of municipal members and local experts. In addition, the Latgale Entrepreneurship Supporting Center became a partner.

Work on Rezekne's local economy assessment commenced in February 2001. In July 2001, a draft LED strategy was confirmed and conveyed for public discussion and comment to the residents of Rezekne, state bodies and to municipal institutions. In December 2001, Rezekne City Council approved the final document of the local economic development strategy.

The LED strategy document covers the period 2004-2010. The city of Rezekne aims to implement a new approach to LED strategic planning and to initiate new collaborative activities between the municipality, entrepreneurs and residents. The municipality will become a leader in developing partnerships and programs for social integration, and will represent citizen interests, initiate economic growth and improve the city's technical and social infrastructure.

As part of its broad approach to LED activity, the city of Rezekne prepared a number of strategy implementation applications for several different projects. Two LED project applications were approved as part of the European Unions' PHARE program, and the Rezekne Business Center and Education Business Linkages programs received nearly two million Euros. These projects consist of

hard and soft infrastructure components and establish a background for further development of LED services in the city. It was recognized that the number and cost implications LED projects were too high to prepare and implement in the short time period, and it was accepted that integrated multi-year financial and investment planning would be necessary.

On the basis of the report written for the local economy assessment, the system of annual reporting was implemented. The city council approved the creation of a new Department for Economic Strategic Planning. The tasks of the new department include the:

- Coordination of other departments when dealing with LED strategy implementation
- Collection of all applications concerning strategy implementation projects
- Balancing of financial and implementation requirements
- Administering the database concerning the city itself and the strategy related projects
- Cooperation with entrepreneurs, other organizations and citizens while implementing the strategy

The city of Rezekne's Economic Development Department was transferred into an independent economic development agency: the Rezekne Business Center. The Center has already started providing services to the business community and is preparing new applications for new development projects.

The updated City Development Strategy was approved by the city council in the 2003. The current strategy implementation plan identifies projects that should be implemented in four years period.

LED Institutional Set-up

By the end of 2000, the Rezekne city council had agreed to embark on the process of LED strategic planning. In developing a strategy in partnership with the local community, three LED teams were established. At the beginning of 2001, Rezekne's mayor established an internal cross-departmental LED **Working Group** with representatives from various municipal departments including:

- Urban Planning Department
- Economic Department
- City Marketing Unit
- Finance Department
- Social Services Department
- City Utilities

An **LED Steering Committee** was also established to discuss, oversee and approve the draft LED strategy document. The Steering Committee consisted of politicians and technical professionals including:

- Mayor of Rezekne
- Two members of Rezekne City Council
- Director of the Economic Department
- Leader of the Economic Department at Rezekne University
- Leader of the cross-departmental working group
- A representative of Rezekne Special Economic Zone

A Stakeholders Group was identified and invited to participate in the strategy development process. The Stakeholders Group consisted of:

- City council leaders
- City council members
- County administration representatives
- Representatives of utility companies
- Rezekne university representatives

- Key private sector companies
- Non-governmental organizations
- Local media representatives

The Latgale Entrepreneurship Supporting Center, a local non-governmental organization, was contracted by the city to conduct the local economy assessment and develop a draft strategy proposal. A Cities of Change project coordinator was later nominated as a leader of the working group teams.

Work on the LED strategy commenced in February 2001, and by July 2001, a first draft of the LED strategy was confirmed and conveyed for public discussion to Rezekne's inhabitants, business community, the Latgale Regional Development Agency, the state revenue office, the environment protection office, municipal institutions, water supply enterprise, city council departments and the Rezekne Institution for Higher Education.

During this period, the interdepartmental team worked permanently with experts from the enterprise center to provide professional support for the LED strategy making process. Several meetings involving stakeholders were held to discuss the key elements of LED strategy including:

- Findings from statistical analysis and surveys
- SWOT Analysis (strengths, weaknesses, opportunities and threats) results
- The city's LED vision
- LED strategic objectives, goals and programs
- Draft strategy document

When the local economy assessment was completed, the stakeholders debated the vision of the city. At the end of the debate, all participants accepted the final version of the city vision.

When the Latgale Entrepreneurship Supporting Center specialists presented the results of the SWOT analysis, stakeholders discussed and accepted four key areas identified by members of the interdepartmental team. The stakeholders agreed four strategic goals and two detailed objectives for each of them. This was followed by the preparation of proposals of LED programs and projects dealing with each objective.

In December 2001, the city council approved the final draft document of the city of Rezekne LED strategy proposed by Steering Committee.

Structure of Municipal Government

Rezekne's municipal government has a number of statutory responsibilities that include spatial planning and land, public assets management, issuing of building permits, personal and business registration, primary education, health and social care, culture and recreation services, economic development, maintenance of local roads, housing, solid waste collection, heating supply, water delivery and waste water collection.

The city council consists of eleven elected members. The city mayor and chairman of the city council is elected by the elected councilors. The mayor is also the leader of city hall. One part-time vice-chairman and one non-employed vice chairman on national minorities and integration have been elected by the city council for this period. The chief of the city administration is the executive director, appointed by the mayor. Eight departments are responsible for delivering the main activities of the city's administration. The two municipal agencies of the Rezekne Business Center and the Sport's Center are operated separately and independently (refer to the city of Rezekne municipal structure) .

Municipal Budget

In analyzing the city's annual budgets for 2003 and 2004, it is important to note a number of key points:

- In 2003, two European Union PHARE Program projects totaling 1.8 millions Latvian lats contributed to the municipal budget
- The total revenue of Rezekne City Council in 2004 is estimated as being 8.4 millions lats
- 2004 own source revenues total 4.6 millions lats, a rise of 475,000 lats (11.7%) from 2003
- Municipal shares in citizens personal incomes tax (PIT) has been planned at 4.2 million lats, 488,700 lats (13%) more than last year
- Non-revenue income is estimated at 520,000 lats
- 2004 subsidies from national government is estimated at 2,628,298 lats, a rise of 214,883 lats from 2003
- A transfer from the Equalization Fund of Local Authorities has not been planned and Rezekne is not nominated as a donor for this fund in 2004

Municipal Budget Overview (2003-2004)

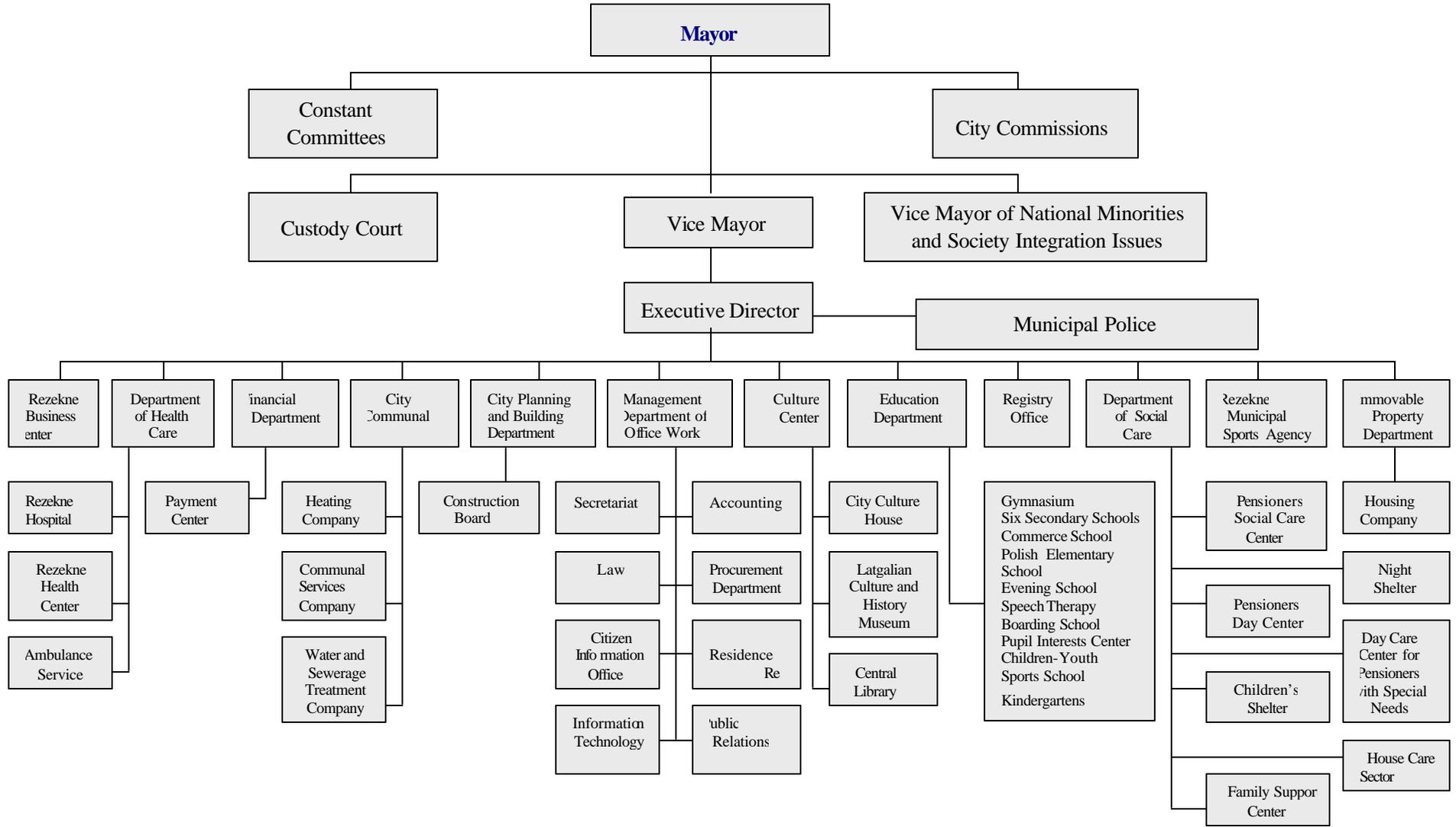
(1 Lat = €1.512; USD\$1.79)

Budgetary Revenues	2003	2004
Total Revenues	9,350,601	8,366,177
Own Revenues	4,728,482	5,351,358
Tax Revenues	4,076,465	4,551,445
Revenues from Selling Property	41,882	275,313
Other Own Revenues	610,135	524,600
Subsidies	4,622,119	3,014,819
Subsidies for Capital Improvement	1,372,252	38,800
Subsidies for Operation	3,249,867	2,976,019

Budgetary Expenditure	2003	2004
Total Expenditure	9,279,252	8,950,501
Operating Expenditure	6,756,094	7,502,723
Personal Expenditure	4,164,811	4,706,697
Goods & Services	2,521,872	2,711,177
Other operating expenditures	69,411	84,849
Other Current Expenditure	408,509	561,089
Capital Expenditure	2,114,649	886,689

Structure of Expenditure by Activities	2003		Plan for FY 2004	
	LVL		LVL	
Administration	758,566	8.2%	959,406	10.7%
Education	4,172,850	44.9%	4,620,066	51.6%
Health Care	61,739	0.7%	62,247	0.7%
Social Services	922,102	9.9%	1,070,201	12.0%
Communal Services	899,596	9.7%	1,105,705	12.3%
Culture and Recreation	622,957	6.7%	901,990	10.1%
Economic Activity and Services	1,837,276	19.8%	126,136	1.4%
Others	4,166	0.1%	104,750	1.2%
Total	9,279,252	100%	8,950,501	100%

City of Rezekne Municipal Structure



LOCAL ECONOMY ASSESSMENT

Rezekne's local economy assessment was undertaken using statistical data, analysis of population and economic trends, results of surveys carried out among local businesses and residents, and wider level research. The following organizations were contacted and were instrumental in providing relevant information:

- Statistical Office
- Labor Office
- Chamber of Commerce
- County Administration
- City Organization Unit

Economic Background

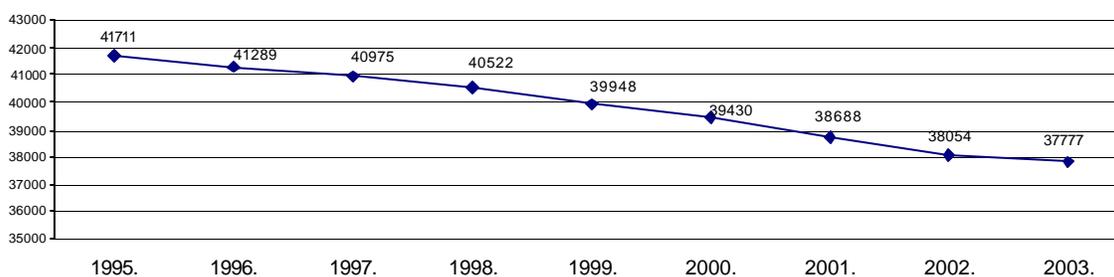
Rezekne is a central city in the rural region of Latgale and located in the southeast of Latvia. It is situated in the vicinity of ports and the main cities of the region. It lies on the Warsaw-St. Petersburg and Riga-Moscow motorway network. By the end of the Second World War, only 5,000 inhabitants remained in Rezekne. During the post-war period, Rezekne became an industrial town, and construction and redevelopment lasted until 1950 with the development of an industrial area adjacent to the Riga-Moscow railroad. Following the establishment of an industrial area, a number of large industrial enterprises were formed including a milk-processing plant, a milking machinery plant and an electrical appliances plant.

A number of large factories produced goods for export to Eastern Bloc countries, Cuba, China and Vietnam. During this time, Rezekne experienced an influx of migrants from other regions of the Soviet Union. The collapse of the socialist economy and the disintegration of the Soviet Union had a significant impact on the ability of Rezekne's factories to compete. The 1990s were a time of gradual decline of Rezekne's main companies, resulting in soaring unemployment and growing social problems. Analysis of the economic base and structure of the economy show that existing traditional industries offer limited potential for growth. The local economy is characterized by low-earnings, low-skills and a low asset base economy with associated high levels of unemployment.

Demography

Demographic change is the one of the most serious challenges facing the city of Rezekne. During the last ten years, Rezekne has lost ten percent of its population.

Rezekne Population (1995-2003)



Population Changes and Influencing Factors

	1996	1997	1998	1999	2000	2001	2002
Changes in Number of Population	-314	-453	-574	-518	-742	-634	-277
Natural Change in Population	-287	-320	-291	-247	-198	-276	-278
Migration Balance	-27	-133	-283	-271	-544	-358	1

In 2001, Rezekne experienced a reduction in population of 7.2 persons per 1000 inhabitants compared to Latvia as a whole with a rate of 5.7 per 1000 inhabitants. In analyzing the current demographic situation, the LED working group concluded that this situation was caused by a number of factors:

- A young population leaving Rezekne to study in Riga or other Latvian cities and not returning after completing their studies
- Inhabitants of Rezekne leaving the city in search of employment in Riga and other countries

Breakdown of Rezekne Population By Nationality

Nationality	Percentage (%)
Latvians	43
Russian	50
Belorussians	2
Ukrainians	1
Polish	3
Other	1

Labor Force and Unemployment

- 13,800 people were employed at the end of 2001
- 47% were employed in the public sector
- 53% were employed in the private sector
- 70% were employed in the trade and services sector (wholesale and retail, hotels, restaurants, transport, communications, financial institutions, real estate services, etc.)
- 28.2% were employed in the public sector state offices, defense, social security, education, health care, social care
- 24.3% were employed in industry
- 6.2% were employed in building/construction
- 0.7% were employed in agriculture

In recent years, the majority of jobs in Rezekne were related to traditional industries. Today however, most people work in the public sector, in commerce or in the service sector. The number of workplaces in old factories is decreasing and there are fewer investments in such facilities. Most of these jobs are low paid and companies are not investment-oriented. According to data provided by the state employment agency, the unemployment rate in Rezekne is slowly falling and was 10.74% of economically active persons at the end of 2003. Rezekne's officially listed rate of unemployment remains higher than in other Latvian regions.

Listed Unemployed Persons in Rezekne (2000-2003)

	2000	2001	2002	2003
Number of economically active persons	24,974	24,822	24,285	-
Number of unemployed persons	3,381	2,922	2,774	2,609
Percentages	13.54	11.70	11.18	10.74

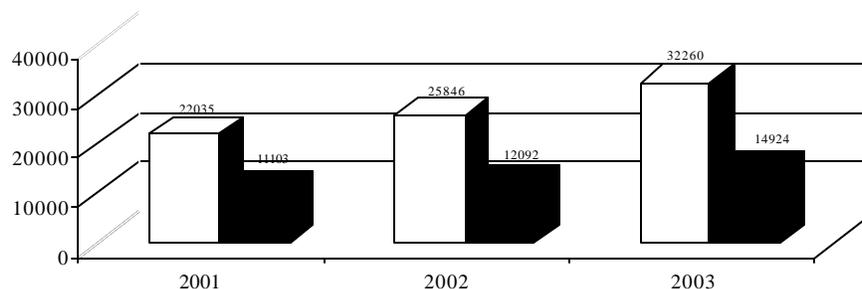
Local Economy Profile

There has been a stabilization of the economic situation of Rezekne economy in last couple of years after the economic crises of the 1990s.

- Between 1999 and 2000, Rezekne's GDP figures showed a growth rate of 11% to 1,273 lats per person
- Rezekne's share of national GDP is 1.1%
- Rezekne's gross annual industrial production increased by 7% in 2003
- The low level of local purchasing capacity forces industrial companies to be export orientated; about 50% of all goods produced in Rezekne are exported

- The number of employed people in manufacturing in December 2003 was 3,104
- Wholesale and retail turnover in 2001 increased by 10%

Gross Industrial Production and Export (Thousand Lats)



Increase in Construction Works in Rezekne (2000-2003)

Year	Construction in Latvian Lats (thousands)
2000	1,110
2001	1,501
2002	3,382
2003	3,959

600 enterprises were active in Rezekne in 2003 with growth mainly occurring in the service and trade sectors. The introduction of new supermarkets has strengthened the local economy. 498 individuals were registered as being self-employed in 2003, and growth in transport and communications has increased by 50%. Though official data is not available for the numbers of tourists, operational data from Rezekne's enterprises suggests that the number of foreign visitors to Rezekne increased by 65% between 2002 and 2003. Between 2001 and 2002, average employee earnings in Rezekne increased by 17%.

Economically Active Enterprises and Employee Breakdown (2002-2003)

Year	Number of Enterprises	Number of Employees			
		0-9	10-49	50-249	>250
2002	600	465	105	28	2
2003	602	569		30	3

Breakdown of Economically Active Enterprises by Business Activity (2002-2003)

Type of Economically Active Enterprises	Number of Enterprises	
	2002	2003*
Agriculture, hunting, forestry and fisheries	83	83
Construction	27	28
Wholesale and retail, cars, motorbikes, consumer services	302	286
Hotels and restaurants	21	21
Transport and communication	47	52
Operations with immovable, rent and other commerce	66	84
Other commercial activities	54	48
Total	600	602

* Provisional Data

Developable Land

Rezekne lacks housing development areas as well as Greenfield sites suitable for new industries. For many years, the city's administrative borders have remained unchanged with the result that there is no

land suitable for new large scale investments within the city boundaries. Moreover, polluted and abandoned Brownfield sites create other difficulties. Developing the areas and premises belonging to the disused factories poses another difficulty. A key issue is the lack of a database of municipal land and real estate properties; a special department was created recently.

The Rezekne Special Economic Zone (RSEZ) comprises approximately 1,900 hectares of industrially zoned land, of which 400 hectares are occupied with existing industry and 1,500 hectares are undeveloped and available for development.

Rezekne Special Economic Zone

RSEZ provides favorable tax treatment including incentives (of between 80 to 100 percent) in property and corporate income tax, exemption from VAT, and customs and excise tax for goods imported into the zone and then exported onwards to other countries.

A 2003 review of companies located in the RSEZ identified that the most economically active enterprises by turnover, investments and number of employed persons were:

- RSEZ Ltd “Verems”
- RSEZ Ltd “Magistr Fiskevegn Group (MFG2)”
- RSEZ joint-stock company “Rezeknes dzirnavnieks”
- RSEZ Ltd “A&C Electronic Baltic”
- RSEZ Ltd “Larta-1”
- RSEZ joint-stock company “Rebir”

In 2003, RSEZ status was awarded to RSEZ Ltd “DFD”. The goal of RSEZ Ltd “DFD” is to create a brewery and a modern tasting hall where the brewing process can be observed. In comparison with previous years, the dynamics of RZES’s 2003 indicators are positive and show that the aggregate amount of turnover, investment and number of work places have increased. The biggest employers in 2003 in the Rezekne Special Economic Zone were:

Major Employers (2003)

Company	Number of Employees
RSEZ joint-stock company “Rebir”	1,748
RSEZ Ltd “Verems”	730
RSEZ Ltd “Magistr Fiskevegn Group (MFG)”	93

Hard Infrastructure

Water Supply

Rezekne’s water supply system serves 29,000 inhabitants and utilizes 19 artesian bores to supply drinking water. Rezekne’s total water consumption is 2,260,000 cubic meters (m³) with the greatest consumers being residents, public institutions and SMEs. The majority of Rezekne’s big industrial enterprises mostly have their own water supply systems. 2,824,000 m³ of sewage is purified annually.

The “Rezekne Water Supply System Development” project commenced last year and the overall goal of the project is to improve drinking water quality for customers and increase the overall number of customers. Within the project, 6.8 kilometers of new water pipes and 6.8 kilometers of sewage pipes will be constructed and 3-3,500 new customers will be connected to the central water supply and sewage system.

Heat Supply

Energy is generated and distributed by a municipal stock company called “Siltums”. Two sections, the central and northern part of the city, comprise the city’s district heating. The company generates about 200,000 megawatts of thermal energy every year and has approximately 17,000 customers.

In 2004, the Rezekne gasification project was signed between Rezekne City Council and the stock company “Latvijas gaze” to provide the Rezekne heating system with natural gas. “Latvijas gaze” will invest about 5 million lats in construction works through until mid-2005 and Rezekne City Council will provide technical works. This project has been developed in accordance with EU regulations of sulphur quantity in heavy fuel oil. The project has to be completed before the heating season of 2005.

Gas and Electricity Supply

At the present time, it is not possible to use natural gas in Rezekne as there is no gas main. For household needs, people use liquefied gas from gas reserves in the city and individual gas cylinders. Two electricity substations provide the city’s electricity supply. The maximum load in the city is about 17 megawatts. It is considered possible to secure a 50% increase in power without big investments.

Telecommunications

From April 1999, all telephone subscribers in Rezekne have been connected to the Lattelekom digital network, a network that offers fast-moving transmission, ISDN, digital wired lines, Frame Relay, X.25 and 2 Lan. Internet services are offered by “latent Serviss” and “Apollo” (Lattelekom) with regular connection, dial-up and open Internet access. Rezekne benefits from having access to a GSM system for mobile communication services.

Transport

Rezekne is located on the crossing of important state trunk roads including the A-12 Jekabpils-Ludza Russia border (Terehova) and the A-13 Rezekne-Daugavpils-Lithuania border. The city is an important railway transportation hub in the eastern part of the Latvian railway network, and is well situated on the crossing point of the east-west Riga-Moscow and the north-south St. Petersburg-Vilnius-Warsaw-Berlin rail corridors. Latvian exports to and from the Russian market are primarily transported via Rezekne, and the city has two functioning railway stations. The Railway station Rezekne II has a wide railway network serving industrial enterprises and a storage complex. During the period 2004-2006, and in preparing Latvia’s transport system for the challenges of the forthcoming EU enlargement, a project to develop a new rail freight reception yard in Rezekne will receive support of €7.7 million.

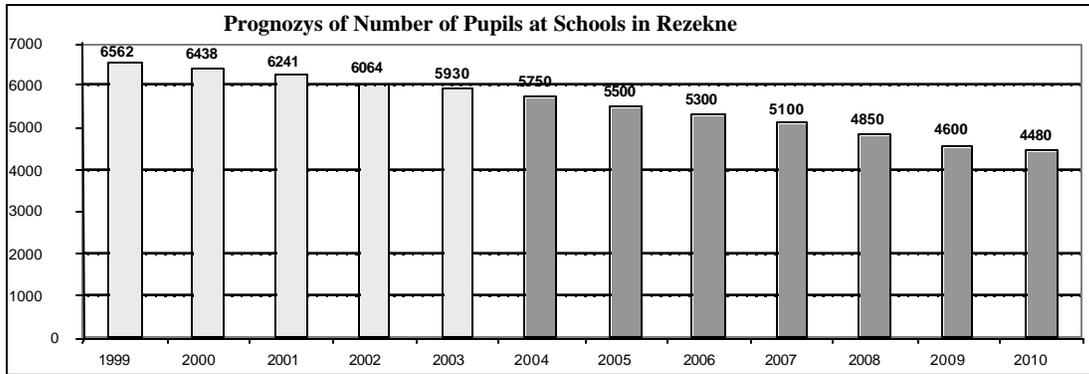
Social Infrastructure

Social Care

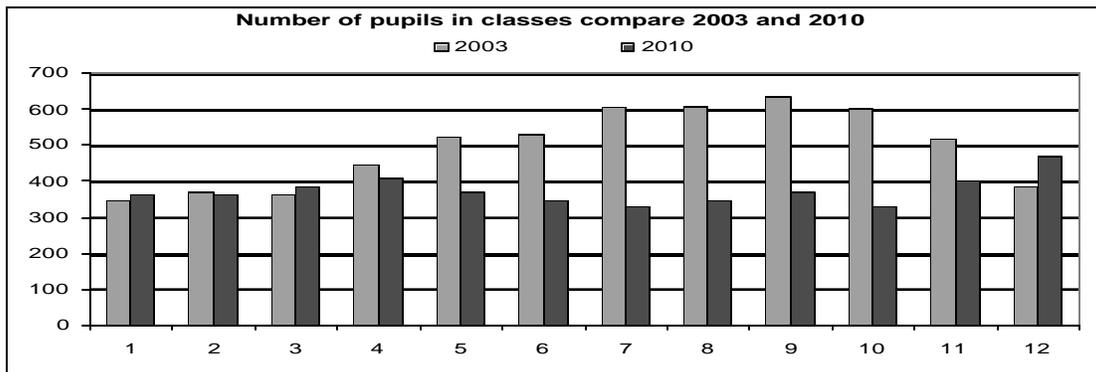
The Social Care Department of Rezekne City Council provides a range of social services including material aid, social care and social rehabilitation.

Education

The city has a well developed educational network. There are compulsory educational establishments of all levels and other educational and training institutions including secondary schools, a state gymnasium, a primary school, special school for children with speech problems, art school, music school, vocational gymnasium, vocational secondary school and a higher educational institute. Demographical challenges also face city schools.



Decreasing number of pupils force city to reform education system



List of Rezekne Educational Institutions

- 9 kindergartens
- 11 secondary schools
- 2 professional schools
- Jana Ivanova Rezekne music school
- Latvijas Art Academy (Latgale Campus)
- Art School
- The Rezekne Institution for Higher Education Faculties of Humanities, Pedagogic, Economy and Engineering
- Rezekne Border Guard College

Rezekne Higher Education Institution (RHEI) was established in 1993 in response to the economic and social needs of the Latgale region. There are four faculties with almost 4,000 students in the faculties of economics, pedagogy, humanities and law, and engineering. The number of students attending the institution in the last ten years has increased tenfold.

The faculty of economics is the oldest and largest faculty, with more than 500 full-time students and approximately 1,300 part-time students currently in bachelor, master and higher professional study programs. The faculty of pedagogy was founded in 1995 as a result of the reorganizing of the Rezekne Teacher Training College, and presently there are more than 1,028 students in bachelor and higher professional study programs at the faculty. The faculty of humanities and law sciences has been a part of RHEI since it was established in 1993.

Culture

The Cultural Center Department of the of the city council administers Rezekne's culture house, public library, Latgale heritage museum and the city recreation park. There are 34 amateur performance groups with 526 participants.

Health Care

There are primary and secondary health care facilities in the city provided by five health care establishments. With 158 doctors and 371 nurses working in the city, the national master plan has identified Rezekne's hospital as becoming a multi-profile medicine center of emergency treatment during the period 2005-2007.

Tourism

The Rezekne Higher Education Institution trains students in hotel management. It has undertaken research on the possibilities of developing different kinds of tourism in Rezekne and the surrounding area. There remains a lack of well developed hotels in Rezekne. In 2003, a private company bought the main hotel and another private company prepared a project for the reconstruction of an old hotel. In the summer time, the student hostel offers an additional 200 bed places. The city of Rezekne is a member of the Latvian Association of Big Cities and has started to develop a common tourism strategy for tourist attraction with the aim of increasing the number of one and two days visitors. As part of the project, a project partner identified a tourism route of special Latgale places as well as culinary heritage route.

Community Surveys

In order to assist the development of the LED strategy, two surveys have been undertaken. One of them investigated business attitudes and the other was a citizens survey.

Results of Citizens Survey

The aim of the survey was to obtain the views and opinions of the residents of Rezekne. Key questions raised in the survey included:

- Whether Rezekne is an economically developed city
- The main obstacles to local economic development in the city
- The types of LED activities necessary to improve Rezekne's economy
- The types of support that Rezekne City Council could offer employers

172 responses were received of which 119 were women and 53 were men. Most of the respondents were aged between 19 and 30. The table below highlights the responses to the question of 'how to promote LED in the city of Rezekne':

Response : How to Promote LED in Rezekne	Percentage (%)
The promotion of business undertakings	13
Attract external investment	11
Improve social and economic conditions	10
Improve Rezekne's technical infrastructure	8
Promote industry development	8
Explore the possibilities of training and reskilling	6
An improved and more effective tax system	5
Disseminate/promote opportunities to participate in international projects	5

Other ideas and suggestions included:

- Popularize the idea of the Rezekne special economic zone
- Improve the work of the city's municipal administration
- Create social contacts with other cities and countries

- Develop the entertainment industry
- Tourism promotion
- Tidy the city
- Create the attractive image of the city

Results of the Business Attitude Survey

Fifty five managers and owners of enterprises took part in the Business Attitude Survey. The survey consisted of a number of questions to obtain information about the business, including the business' activity, legal status, number of employees, turnover and membership of professional organizations.

The businesses that contributed to the survey employed 4,362 persons in total. The largest business questioned had 1,150 employees while the smallest business questioned had two employees. 27% of the businesses questioned had a turnover of less than 100,000 lats, while 22% of the businesses questioned had a turnover of between 200,000 and 500,000 lats; the turnover of two businesses surveyed was more than 2 million lats per year.

The list below highlights the responses of businesses when faced with the question of the positive aspects of 'doing' business in the city of Rezekne:

- Transit roads crossing
- Geographical location, close to the Russian border
- Recourses for production (free premises, inexpensive labor force, free lands)
- Regional, cultural and administrative center
- Rezekne Special Economic zone
- Inexpensive labor force
- Big town (in Latvia scale)
- Protection (human recourses, industries etc.)
- Rezekne University
- Ways of industry, contacts with Russian market
- Low level of competition
- Not ambitious clients

DEVELOPING THE LED STRATEGY

Stakeholders were invited to assess the city's competitive position, strengths, weaknesses, opportunities, threats, and define key issues that should be taken into account in the LED strategy development process.

SWOT ANALYSIS

	INTERNAL	EXTERNAL
Positive	<p>Strengths</p> <ul style="list-style-type: none"> ▪ Rezekne is situated on major road crossing ▪ The status of Rezekne Special Economic zone ▪ Existence of regional and state institutions in Rezekne ▪ Rezekne University ▪ Rezekne has the status of State inferiority ▪ Export oriented companies ▪ High density ▪ Well developed social infrastructure ▪ Compact city 	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Modern, customer orientated city administration ▪ Present and future availability of EU Funds ▪ Administrative and territorial reform of Latvia ▪ Development of economic activities, based on knowledge ▪ Efficient utilization of opportunities of Rezekne Special Economic zone
Negative	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Lack of effective lobby in the National Parliament and institutions of regional development coordination ▪ Poor social economic conditions ▪ Rezekne is located in the poorest region of the country ▪ Lack of long-term development documents of the city ▪ Low level of business activities ▪ Low skilled work force ▪ Low citizen incomes ▪ Survival's city budget ▪ High unemployment rate ▪ Outward migration rate ▪ Lack of space for new developments ▪ Low value of investments ▪ Low added value created locally ▪ Poor technical infrastructure ▪ Collapse of traditional city economic activities ▪ Local companies related to traditional industries not prepared for market competition ▪ Low level of business activity 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Drain of highly educated people to other regions ▪ Break-up of the city's public utilities and communal services ▪ Lack of realization of state and regional policy ▪ Unresolved relations between Latvia and Russia ▪ Loosening of the status of State inferiority ▪ Competition from better located regions

After the SWOT Analysis was undertaken, several problems were listed:

- Negative natural birth and migration rates
- Reduction of work places and a decrease of production
- Poor but expensive housing and ineffective utilities
- Lack of long term development policy
- Lack of management framework transferring strategic objectives into daily activities

Four key issues were identified:

- Demographic trend
- Competitiveness of the local economy
- Quality of life
- City administration capability

An **LED Vision** was defined:

“Rezekne will be the administrative, economic, educational and cultural center in the Latgale region. It will be a European city with a developed infrastructure where on the base of mutual activities of city-dwellers, employers and City municipality the high level of welfare, equal educational possibilities, work opportunities and housing rights are provided for every city-dweller. Rezekne will be a city where the inhabitants are proud of their city and live in peace with different religious beliefs, languages and traditions.”

Four strategic goals were formulated to improve the efficiency of public administration in implementing the long term LED strategy and improving the service to its business and residential citizens:

- To increase the transparency and customer orientation of city administration
- To broaden and diversify the economic base in Rezekne
- To improve living conditions in Rezekne
- To archive integrated local community

For each goal two objectives and a number of programs were established. These include increasing the effectiveness and efficiency of the city administration, promoting effective municipal services, delivering a high quality local infrastructure, and ensuring the social and economic development of the city. In delivering these goals, there is a recognized need to organize and integrate improved municipal administrative systems by implementing information management, long term financial and investment planning systems by the end of 2004.

In promoting cooperation between the city of Rezekne administration and the business community for improved economic cooperation and development, an objective of the city is to organize an employers forum, initiate regular onsite visits to Rezekne companies and undertake regular surveys and interviews of local businesses.

To increase and improve support services for individuals wishing to start a business, existing companies, and new investors, a range of activities have been proposed including:

- Promoting new -start businesses
- Initiating business consulting and training service new start businesses
- Increasing the procurement opportunities for local businesses
- Establish a business park and other business support frameworks

In promoting and encouraging investment in Rezekne, there is a need to:

- Fully realize the potential opportunities of the Rezekne Special Economic Zone
- Initiate a city marketing plan
- Promote economic cooperation and collaboration internationally and with other cities
- Establish a municipal real estate management and maintenance plan
- Create and maintain a portfolio of investment projects

The future of the city depends on building and maintaining a high quality of life and skilled workforce, and ensuring that social integration is effective. A key role of the strategy will be to ensure the quality provision of education, health and social services. In the longer term, the city of Rezekne will promote education, develop a social health strategy, attract appropriately qualified development specialists (doctors, teachers, engineers), develop the city's cultural heritage and expand and diversify opportunities for entertainment.

Given the city of Rezekne's high level of unemployment and the low income levels, a social care program will aim to improve the management of social cares services, reduce poverty and social divisions, and initiate a psychology service. In seeking to build community institutions and improved capacity for community integration and harmony, the city of Rezekne will establish a detailed plan of how to develop the process of social integration in the city, by working with municipal and non-governmental organizations activities.

VISION TO PROJECTS MATRIX

VISION	GOALS	OBJECTIVES	PROGRAMS	PROJECTS		
<p>Rezekne will be the administrative, economic, educational and cultural center in the Latgale region. It will be a European city with developed infrastructure where on the base of mutual activities of city-dwellers, employers and City municipality the high level of welfare, equal educational possibilities, work opportunities and housing rights are provided for every city-dweller. Rezekne will be a city where the inhabitants are proud of their city and live in peace with different religious beliefs, languages and traditions.</p>	<p>G1: To increase the transparency and customer orientation of city administration</p>	<p>G1:O1: To increase efficiency of city administration by implementing information and long term financial and investment planning systems by end of 2004</p>	<p>G1:O1:PG1: Improvement of public administration management system program</p>	G1:O1:PG1: p1: Implementation of information management system (MIS) project		
				G1:O1:PG1: p2: CIP and financial planning system implementation project		
		<p>G1:O2: To improve public administration clients satisfaction rate through implementation one stop shop system by end of 2002</p>	<p>G1:O2:PG1: Improvement of administrative services program</p>	G1:O2:PG1: p1: 'One-Stop Shop' project		
				G2:O1:PG1: p1: Rezekne employers round table project		
	<p>G2: To broaden and diversify the economic base in Rezekne</p>	<p>G2:O1: To promote cooperation between city administration and business community</p>	<p>G2:O1:PG1: Public-business cooperation program</p>	G2:O1:PG1: p2: Business surveys project		
				G2:O1:PG1: p3: Local business promotion project		
		<p>G2:O2: To increase support for beginners, existing companies and new investors using complex assistance instruments and resave permanent annual increase of work place</p>	<p>G2:O2:PG1: Assistance for starting up companies program</p>	G2:O2:PG1: p1: Advisory assistance for beginners project		
				<p>G2:O2:PG2: Encouraging local business growth program</p>	G2:O2:PG2: p1: SME enterprise center project	
			<p>G2:O2:PG3: New investment promotion program</p>		G2:O2:PG3: p1: Industrial park project	
				G2:O2:PG3: p2: Investment promotion system project		
				G2:O2:PG3: p3: Logistic center project		
				G2:O2:PG3: p4: Development of city marketing plan project		
						G2:O2:PG3: p5: Promotion of Economic cooperation with others cities and countries
						G2:O2:PG3: p6: Municipal property management and maintaining project

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF REZEKNE (2004 - 2014)

	G3: To improve living conditions in Rezekne	G3:O1: To develop technical infrastructure for providing communal and social services for citizens to achieve national standards by 2008	G3:O1:PG1: Water supply and sewerage system program	G3:O1:PG: p1: Development of city water supply and sewerage system
			G3:O1:PG2: Central heating system program	G3:O1:PG2: p1: Development of city central heating system
		G3:O2: To extend qualitative housing and commercial facilities by 5% per year	G3:O2:PG1: Housing program	G3:O2:PG2: p1: Low income housing project
				G3:O2:PG2: p2: Identification of new housing development areas project
				G3:O2:PG2: p3: Development of city housing policy project
	G3:O2:PG2: p4: Promotion of housing management services market project			
	G4: To achieve integrated local community	G4:O1: To equalize personal development opportunities to all members of local community	G4:O1:PG1: City streets and roads development program G4:O1:PG2: Public space program	G4:O1:PG1: p1: Revitalization of public spaces project
				G4:O1: PG2: p1: Improvement of children recreation ground G4:O1: PG2: p2: Implementation of schools project for public space by organizing special grant from municipal budget
			G4:O1:PG3: Human resources development	G4:O1:PG3: p1: Creation of Live learning center
			G4:O1:PG4: Social assistance program	G4:O1:PG4: p1: Creation of a family support centre G4:O1:PG4: p2: Organizing of summer camps for children from social risks families (yearly)
G4:O2: To promote linkages and cooperation between different national groups of community		G4:O2:PG1: Society integration program	G.4.O2: PG1: p1: Establishing of national minorities culture centre G.4.O2: PG1: p2: Yearly festival of national minorities in Rezekne	

CITY OF REZEKNE PROJECTS MATRIX

Strategy Goals	To increase the transparency and customer orientation of city administration	To broaden and diversify the economic base in Rezekne	To improve living conditions in Rezekne	To achieve integrated local community
LED Projects				
Implementation of information management system (MIS) project	X			
CIP and financial planning system implementation project	X		X	X
'One-Stop Shop' project	X	X		
Rezekne employers round table project		X		
Business surveys project	X	X		X
Local business promotion project		X	X	
Advisory assistance for beginners project		X		X
SME enterprise center project		X		X
Industrial park project		X	X	
Creation of Pedestrian Street in downtown			X	X
Investment promotion system project		X	X	
Logistic center project		X	X	
Development of city marketing plan project		X		X
Promotion of Economic cooperation with others cities and countries		X	X	X
Municipal property management and maintaining project			X	X
Development of city water supply and sewerage system			X	
Development of city central heating system			X	
Low income housing project			X	X
Identification of new housing development areas project			X	X
Development of city housing policy project			X	X
Promotion of housing management services market project			X	X
Revitalization of public spaces project		X	X	X

LED PROJECT IMPLEMENTATION PLAN

City of Rezekne LED Projects										
No.	Project Title	Total Value	Funding Sources (%)				Implementing Partners	Project Starting Date	Duration	Targeted Group / Beneficiaries
			Donors	City Govt.	Private Sector	Community				
1.	Implementation of Information Management System (MIS) Project	10,000	70%	20%	10%	0%	Donor, Local Government, Private Sector	July 2004	12 months	City Government and Private Sector
2.	CIP and Financial Planning System Implementation Project	1,000	50%	50%	0%	0%	The World Bank	September 2003	18 months	City Government and Private Sector, NGOs
3.	'One-Stop Shop' Project	6,000	0%	100%	0%	0%		November 2002	24 months	City Government and Private Sector, NGOs, citizens
4.	Rezekne Employers Roundtable Project	1,200	0%	70%	30%	0%	City Government, Private Sector	January 2004	12 months	City Government and Private Sector, Business Community, Citizens
5.	Business Surveys Project	800	0%	100%	0%	0%	Rezekne Institutions for Higher Education, Local Government	September 2004	4 months	City Government and Private Sector
6.	Local Business Promotion Project	100,000	75%	15%	10%	0%	Donor, Local Government, Private Sector	November 2004	18 months	City Government and Private Sector, NGOs
7.	Creation of Pedestrian Street in the City Center	1,120,000	75%	10%	15%	0%	Donor, Local Government, Private Sector	June 2004	24 months	City Government and Private Sector, NGOs, citizens
8.	Advisory Assistance for Beginners Project	800	0%	100%	0%	0%	Local Government	October 2004	6 months	City Government and Star-ups
9.	Industrial Park Project	1,000,000	50%	10%	40%	0%	Donor, Local Government, Private Sector	February 2005	24 months	City Government and Private Sector, Foreign investors
10.	Investment Promotion System Project	10,000	50%	25%	25%	0%	Donor, Local Government, Private Sector	March 2005	12 months	City Government and Private Sector, Foreign investors

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF REZEKNE (2004 - 2014)

11.	Logistic Center Project	6,700,000	75%	0%	25%	0%	Donor, National Government, Private Sector	June 2004	24 months	National Government, Local Government, Private Sector, Foreign Investors
12.	Development of City Marketing Plan Project	10,000	75%	25%	0%	0%	Donor, Local Government	August 2004	8 months	City Government and Private Sector, Foreign investors
13.	Promotion of Economic Cooperation with Others Cities and Countries	10,000	40%	20%	30%	10%	Donor, Local Government, Private Sector, Community	October 2004	14 months	City Government and Private Sector, Citizens
14.	Municipal Property Management and Maintenance Project	100, 000	20%	60%	10%	10%	Donor, Local Government, Private Sector, Community	October 2003	24 months	City Government and Private Sector, Citizens
15.	Development of City Water Supply and Sewerage System	10,000,000	65%	10%	25%	0%	Donor, Local Government, Private Sector	October 2002	84 months	City Government and Private Sector, Citizens
16.	Development of City Central Heating System	500,000	50%	10%	40%	0%	Donor, Local Government, Private Sector	September 2003	24 months	City Government and Private Sector, Citizens, Customers
17.	Low Income Housing Project	45,000	100%	0%	0%	0%	Local Government	December 2003	6 months	City Government, Citizens, Customers, Social risk families
18.	Identification of New Housing Development Areas Project	7,000	80%	20%	0%	0%	National Government, Local Government	May 2004	10 months	City Government and Private Sector, Citizens
19.	Development of City Housing Policy Project	5,000	50%	50%	0%	0%	National Government, Local Government	January 2005	12 months	City Government and Private Sector, Citizens

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF REZEKNE (2004 - 2014)

20.	Promotion of Housing Management Services Market Project	100,000	20%	60%	15%	5%	National Government, Local Government, Private Sector, Community	March 2004	36 months	City Government and Private Sector, Citizens
21.	Revitalization of Public Spaces Project	500,000	20%	60%	15%	5%	National Government, Local Government, Private Sector, Community	January 2005	60 months	City Government and Private Sector, Citizens
Total Value :		20,226,800	46.4	38.8	13.8	1.4				

STRATEGY IMPLEMENTATION

According to the procedures of preparing municipal budgets in Latvia, the municipal budget has to be approved by local government after receiving state budget approval in the national parliament. Though the Republic of Latvia still has no multi-year budget planning system, some municipalities, including Rezekne, have approved a multi-year budget planning system.

City of Rezekne Multi-year Financing Plan and Capital Improvement Planning System

- Defines value and timing for prioritization of city development projects at current year and future activities
- Is an effective instrument for data collection and monitoring for the decision-making system, and an information source for citizens, municipal organizations and financial institutions.
- The city's long term financial plan has been prepared for a four year period
- The plan is a platform of interconnected activities and services that has been planned and orientated to the LED strategy goals
- It involves city council members, city administration representatives, the business community and social partners including NGOs and municipal enterprises. The main responsibility as laid down by Latvian legislation goes to the chairman of city council

Income and expenditures are prepared in two ways: according to the classification of budgetary expenditures and to strategy programs. The second of these approaches provides an opportunity to follow strategy targets and to monitor strategy implementation results through monitoring by municipal financial institutions.

The main goal of the program is to mobilize financial resources to improve Rezekne's technical and institutional infrastructure. The four year program is reviewed annually and special procedures implemented to:

- Assess the city's annual report and review priority objectives
- Evaluate strategy implementation results
- Collect new project applications for strategy implementation
- Select priority projects
- Balance planned activities with city financial possibilities

In 2002, Rezekne City Council made a decision to establish an interdepartmental working group that is responsible for developing a new edition of the strategy implementation plan.

Criteria for Project Selection

Technical and Economical Criteria:

- Adequacy of the project to the technical, construction and environmental standards and regulations
- Connection to the others technical projects
- Using modern technologies
- Available resources of the municipality
- Impact to the municipal budget (after implementation)
- Possibilities to secure external grants, finances, credits

Social and Economic Criteria:

- Project impact on the quality of life, for example, environment and security
- Project impact on economic activities (competitiveness, number of new working places, new incomes for city budget)

- Linkage with local businesses (impact to the local production and services, cooperation with sub-constructors)
- Identification of focus groups of beneficiaries
- Support on social level

Formal and Legislative Criteria:

- Adequacy of municipal decisions and approved strategy
- Obligations and guarantee in State budget

Budgetary Revenues and Expenditures for the City of Rezekne (2005-2007)

Fiscal Year	Execution	Plan	Prognosis		
	2003	2004	2005	2006	2007
REVENUES (in thousands)	9,350	8,366	9,352	9,950	10,605
OWN REVENUES	4,728	5,351	5,473	5,819	6,205
TAXES	4,076	4,551	4,853	5,174	5,515
Other own revenues	652	800	620	645	690
Subsidies	4,622	3,015	3,879	4,131	4,400
Delegated tasks	2,175	2,387	3,226	3,452	3,694
Municipal tasks	2,447	628	653	679	706
OPERATING EXPENDITURES	7,165	8,009	8,622	8,985	9,330
STATE DELEGATED TASKS	2,167	2,310	2,472	2,645	2,830
Education	2,167	2,310	2,472	2,645	2,830
MUNICIPAL TASKS	4,998	5,699	6,150	6,340	6,500
Administration	672	922	950	979	1,008
Education	1,878	2,173	2,260	2,350	2,444
Health Care	62	22	23	24	25
Social Services	906	996	1,035	1,076	1,119
Communal services	654	906	1,041	1,062	1,085
Culture and Recreation	513	554	570	587	605
Economic Activity	268	21	24	25	26
Others	45	105	247	237	188
OPERATING SURPLUS	2,185	357	730	965	1,275
CIP Expenditure	2,115	1,500	504	1,158	1,190

(USD \$1 = 0.547 LVL)

Municipal Development Agency: ‘Rezekne Business Center’

Institutional development is a key aim of the Rezekne LED strategy. Although the city is still facing serious demographic and economic challenges, it is clear that the city needs to strengthen its position. The Rezekne Business Center (RBC) city development agency will play a key role in this task. RBC emerged out of the city council's economic development department and is now responsible for LED on behalf of Rezekne City Council. The aim of this project was to improve cooperation between the city administration and the business community in Rezekne. This idea was implemented and financed under the PHARE 2000 ‘Development of Rezekne Business Center’ project. The Rezekne Business Center became operational in December 2003.

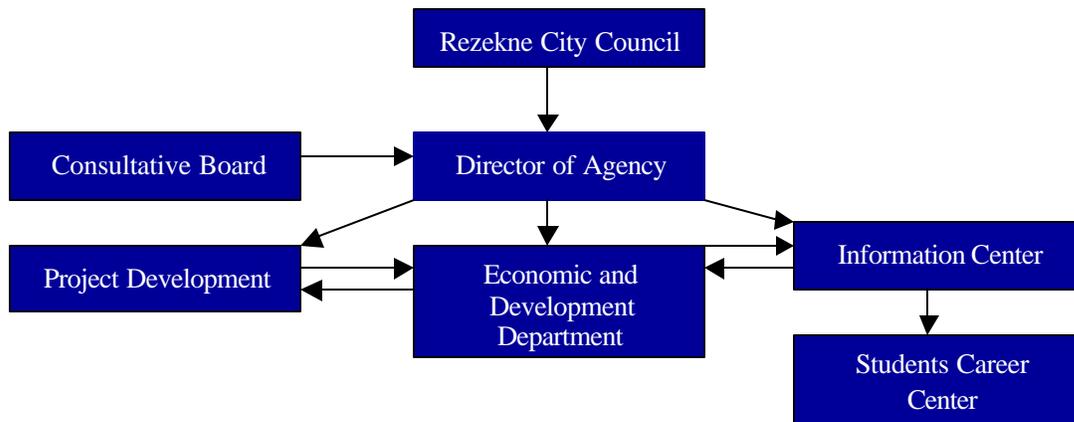
RBC provides economic development services for Rezekne City Council that include promoting business activities, providing services to public and municipal establishments, and the provision of public services to individuals and corporate entities in the city Rezekne and the surrounding district. Rezekne Business Center is established on the basis of Rezekne City Council resolution and annual contract for services with mayor of the city. RBC aims to:

- Promote the development of an entrepreneurial environment
- Improve communication among entrepreneurs and the city council
- Ensure continuous identification of preconditions for a successful entrepreneurial environment by offering services to entrepreneurs i.e., consulting, training and office services, as well as providing assistance with obtaining various permits, confirmations, registrations and documents in the municipality
- Establish and develop the database under the agency's supervision as well its utilization to provide the necessary information to entrepreneurs for a more efficient decision-making and business development process
- Enhance the necessary services to the entrepreneurs focusing on regulation, adjustment and improvement of entrepreneurial environment in the interests of Rezekne city
- Provide services to public and municipal establishments, individuals and corporate entities

RBC, according to its objectives and functions, has established the following principal departments:

- Project development department
- Economic and development department
- Information department (Students Career Center)

RBC Organizational Structure



RBC is charged with undertaking the following functions:

- Summarizing the proposals identified by the Rezekne LED strategy
- Improving the effectiveness and efficiency of solving the economic and development issues in the Rezekne city council by promoting communication between the city council and entrepreneurs
- Promoting Rezekne to supporting institutions
- Attracting investments to enhance the regional and urban business environment
- Providing services to Rezekne city and district entrepreneurs by delivering the following assistance: consulting, training and office services, as well as providing assistance with obtaining various permits, confirmations and registrations
- Cooperating with other organizations
- Organizing international cooperation with other similar establishments and organizations in foreign countries in order to get acquainted with their experience and make improvements to the commercial environment;
- Establishing and maintaining various information databases with the information necessary for Rezekne city commercial environment
- Cooperating with public and municipal institutions, NGOs, businesses and merchants to encourage information exchange and project realization

LED PROJECT ACTION PLANS

Project: Creation of Rezekne Business Center (SME Enterprise Center)		Program Type(s): Business Development Program	
Short Description of the Project: The Rezekne Business Centre (RBC) is a modern center for the promotion of entrepreneurship and LED. The Center offers business development services to local entrepreneurs. With a qualified staff and equipment, the center is able to offer a wide range high quality services to the business community. A professional team offers advice to existing or potential entrepreneurs in management, finance and marketing. Related services include business planning, preparing loan applications, offering business information, organizing courses and seminars, organizing roundtables and conferences, providing feedback to the local administration, advocacy and project development.			
Expected Results: To promote the development of an entrepreneurial environment in the City of Rezekne and the wider region To improve the operational effectiveness of the economic and development activities and planning by improving communication between the municipality and entrepreneurs An increase in the contribution of the private sector to the municipal budget and local economy An improved rate of economic growth and social development To implement entrepreneurship support by attracting entrepreneurship support institutions for the support consultancies; to provide regional entrepreneurs with the necessary competences To provide practical and professional education and training to student interns To reduce unemployment and business failures and increase the number of business start-ups		Target Group(s): The main target user groups of the Rezekne Business centre development plan are: RBC: Development document for period up to 2008; Rezekne City Council: For planning and control of RBC financing; Rezekne city and regional entrepreneurs: for the better development of their companies and getting to know possibilities; RBC cooperation partners: for the preparation and development of cooperation proposals; Education institutions: students and necessary research matching; Potential investors: investment proposals preparation and cooperation planning	
Possible Stakeholders : Rezekne City Council Latgale regional cities and communities; other local municipalities Ministry of Economy, PHARE program for SMEs, state institutions and employment service, company register, Rezekne education institutions Latvian Technological Park, LTC and business incubators, professional and industry associations, support centers, organizations abroad Rezekne Higher Education Institution Latvian Development Agency and other organizations willing to exchange information		Possible Contributions to the Project Project Managers Partners in the implementation in the project Technical and financial assistance Technical advice through experts Students may work here as interns Technical and financial assistance Technical advice through experts	
Prerequisites: Adequate infrastructure Specialists that could provide services		Available premises and equipment Available financial resources	
Estimated Costs: Investment: US \$150,000 Non investment: US \$35,000 Annual operational costs: US \$20,000		Time for Implementation: Development period 2002-2004	
		Time to Impact : Full institutional capacity by 2008	

Project: Economic and Entrepreneurship Information System (EEIS)		Program Type(s): Local Government Improvement Services	
Short Description of the Project The economic and entrepreneurship information system is a part of the Rezekne Business Center and provides various types of data to entrepreneurs through a portal. It is envisaged that entrepreneurs will use the portal to obtain information about enterprises, economic indices in the Rezekne region and indices of industries. The elaborated services will received information about municipal functions, activities, list of payments for different permissions and confirmations. The Entrepreneur Portal will provide information about municipal regulations and rules that are connected with entrepreneurship. The elaborated business portal will also provide informative linkages among companies, assist with business-to-business communication, assist in partner search, serve as a database for company supply chain needs.			
Expected Results: Entrepreneurs will be able to obtain information on enterprises, local and regional economic and industry indices in Rezekne The elaborated services will get received information on relevant municipal functions, activities, list of payments for different permissions and confirmations The Entrepreneur Portal will provide information about municipal regulations and rules that are connected with entrepreneurship. The business portal also will provide informative linkages among companies, organize business to business communication, effectively assist in partner search, will serve as data base for companies supply and demands needs. The information system about economics and entrepreneurship will integrate and will effectively fulfill each other		Target Group(s): Rezekne city and regional entrepreneurs: for the better development of companies and getting to know possibilities Education institutions: students and necessary research matching; Potential investors: preparation and cooperation planning	
Possible Stakeholders :		Possible Contributions to the Project:	
Local government		Project Manager	
Business association/ Private sector		Project support/ offers information, advertises initiatives and possibilities	
International organizations		Technical and financial assistance	
Governmental and non governmental organizations		Partners and users of the information and advertising	
Prerequisites : Adequate infrastructure Support from the administration to create and update the information system		Risk Factors: Lack of specialized personnel Lack of financial funds	
Estimated Costs: Investment costs: US \$90,000 Non Investments costs: US \$45,000 Annual operation costs: US \$8,000			
Time for Implementation : One year		Time to Impact: One year later, after project becomes operational	

Project: Venture Capital Fund		Program Type(s): Business Development Program	
Short Description of the Project Created out of the Rezekne Special Economic Zone fund, the Venture Capital Fund will be operated independently of state and municipal grants on a commercial basis, and will utilize external funding. Given Rezekne's weak SME capacity relative to the Latvian average, it is envisaged that the Venture Capital Fund will be an important instrument in the support and development of local enterprises and entrepreneurial activity.			
Expected Results: Support of Business development Access to the capital for most dynamic companies		Target Group(s): Small and medium sized enterprises Existing enterprises Potential investors	
Possible Stakeholders : Rezekne Special Economic Zone Local government Business association/private sector		Possible Contributions to the Project: Project managers Technical and financial assistance Technical and financial assistance	
Prerequisites : Potential conditions for local business development exist Support from the administration		Risk Factors : Lack of specialized personnel Lack of financial funds Low business potential of local businesses	
Estimated Costs : Investment: More than US \$500,000 Non Investment: US \$50,000 Annual operational costs: US \$25,000			
Time for Implementation : 3 years		Time to Impact : After 3-5 years	

Project: Business Roundtable		Program Type(s): Business Association Development Program (PublicBusiness Cooperation)	
Short Description of the Project			
There is no regular information exchange between Rezekne municipality and the local business community. The main task of the project is to broaden and diversify the economic base in Rezekne; organize regular meetings between Rezekne's entrepreneurs, the municipality and the Rezekne Special Economic Zone and Chamber of Trade and Industry, and discuss practical topics for city development, recognize the business community's situation and needs, and establish a forum for the direct cooperation between public and private sector partners.			
Expected Results:		Target Group(s):	
Regular information exchange between local business and municipality Common projects could be developed, development of business environment in Rezekne and trust between business and municipality Help support local to businesses		Rezekne city and regional entrepreneurs Small and medium sized enterprises Entrepreneurs organisations	
Possible Stakeholders :		Possible Contributions to the Project:	
Rezekne municipality		Manager and donor of the project	
Chamber of Trade and Industry		Co-donor of the project	
Special Economic Zone		Co-donor of the project	
Rezekne City Council		Co-donor of the project	
Prerequisites :		Risk Factors:	
Motivation or participation in implementation of project Mutual cooperation with L.G. with the purpose of business development		Condition that donors offer Untrained and inexperienced staff	
Estimated Costs :			
US \$3,000			
Time for Implementation :		Time to Impact:	
One year		After one year	

Project: Business Conference Center		Program Type(s): Business Development Program	
Short Description of the Project The Business Conference Center provides a venue for conferences, workshops and training sessions. The reconstructed and equipped business conference center is able to offer simultaneous interpreting and videoconferencing, and a number of international conferences and business training events have been held.			
Expected Results: Creation of Rezekne as business tourism destination Development of conference facility Attracting Rezekne for training institutions Renovation of existing facility		Target Group(s): Rezekne city and regional entrepreneurs Education institutions	
Possible Stakeholders : Rezekne municipality Chamber of Trade and Industry Special Economic Zone		Possible Contributions to the Project Manager and donor of the project	
Prerequisites : Existence of the project manager Available office and conference hall		Risk Factors : Budget limitation Additional office staff Insufficiently qualified people to staff the office	
Estimated Costs : Investment costs: US \$190,000 Non investment costs: US \$25,000 Annual operational costs: US \$12,000			
Time for Implementation : One year		Time to Impact : After one year	

Project: Student Career Center		Program Type(s): Education Program	
Short Description of the Project As a service of the Rezekne Business Center, the Student Career Center (SCC) will promote and facilitate cooperation between employers and local and regional educational institutions to increase the professional capacity of local labor force and improve overall educational quality.			
Expected Results: Create and use student abilities evaluation system/ criteria Staff selection (Company is receiving list of potential workers) Research databases (universities and companies) Feedback from entrepreneurs Creation of practice places database Office services delivery Participation in students organized events Student's auction Information about potential sponsors Qualification raise for training staff, experience exchange, practice Project initiative Participation in exhibition/conferences Research for entrepreneurs Create possibility for employment		Target Group(s): Education institutions (local and foreign) Students Trainers/ lecturers Graduates Companies and institutions(local and foreign) Owners Managers Staff Employment institution	
Possible Stakeholders :		Possible Contributions to the Project	
Municipal Assembly		Department of Education	
Municipal Directorate of Education		Business community	
Students organization		Opportunity for students to work in the office as interns so they can perform services under supervision of senior staff while gaining experience	
Local business service providers and other institutions – a. practical experience for students and faculties. B. income for university and future positions for students			
Prerequisites : The Project is ongoing and the results achieved so far are satisfactory Commitment from the municipality to support the program		Risk Factors : Lack of continuous source of financing Migration of qualified students to bigger urban centers Limited business potential in the area	
Estimated Costs : Investment costs: US \$20,000 Non investment costs: US \$18,000 Annual operational costs: US \$18,000			
Time for Implementation : 6 months		Time to Impact : After 12 months	

<i>Project: 'One-Stop Shop' for Business</i>	<i>Program Type(s): Local Business Enabling Environment Program</i>
<p>Short Description of the Project The goal of the project is the establishment of a 'one-stop' shop that will offer professional advice business in management, finance, marketing and human resources to current Small and Medium Enterprises. Those interested will be able to acquire information and receive assistance in complying with the administrative procedures related to the establishment and operation of a businesses. The 'one-stop' shop will provide assistance to business managers in planning, the organization of courses, seminars, support of the business community through communication (roundtables and conferences) with the local administration, advocacy. The 'one-stop' shop will gradually become self-financing and users will be charged a fee for services; several services are exempted from payment such as seminars or assistance for starting a business. Initial 'one-stop' shop start-up costs will be covered by the municipal budget and/or donor funds. The establishment of the 'one-stop' shop will become a factor in improving the overall local business environment. The long term impact will be less unemployment, a better economy and higher local incomes.</p>	
<p>Expected Results: Increase in number of businesses Improvement of business environment Efficient and timely deliver of administrative services for SME Reduction failures in business Decreasing unemployment Better relation between local administration and business clients Faster and better quality of services</p>	<p>Target Group(s): Potential investors, people with business ideas who lack finance or knowledge to start up a a business Existing SME People with business ideas that do not have knowledge or financial means to start a business</p>
<p>Possible Stakeholders : Business associations, chamber of commerce Local government, International organizations, European Union programs in regional private enterprise center Prerequisites : Availability of office and equipment in the municipal building Availability of trained and skilled individuals in the business service area Possibility to coordinate and merge resources with donor programs</p>	<p>Possible Contributions to the Project The LED team Department for reconstruction and development of the municipality The local chamber of commerce Private businesses Risk Factors : Not sufficient expertise in business service providing Lack of coordination in donors programs Limited options for financing Difficulties in gathering data and accessing information</p>
<p>Estimated Costs : Personnel salaries (three people): US \$7,200 Equipment: US \$5,000 Variable expenses: US \$4,000 Rent of the building: US \$2,400 Total expenses for the first year: US \$18,600 Partners can contribute to project financing (in cash, equipment, buildings) After a period of time the services of the center may be compensated at reasonable price. Training and seminars can be financed from donations or additional funds</p>	
<p>Time for Implementation : One year</p>	<p>Time to Impact : Review after 3 months of activity</p>

Project: 'One-Stop Shop' for Citizens		Program Type(s): Local Government Improved Services	
Short Description of the Project Two employees (from the municipal administration) will provide basic information on the requirements for registration and licensing of businesses, procedures and fees). The office may distribute information regarding changes in the legislation or administrative procedures from other institutions/departments (procedures for tax collection, requirements for sanitary licensing, fire brigade norms). The office could also provide basic data to possible investors. It is possible that services are free of charge.			
Expected Results: Increase in the quality of municipal professional services offered to citizens, business community and NGOs Improved relations between local administration and citizens Faster and better quality services provided by the municipal administration An improved business environment that is favorable to local and inward investments An increased number of businesses (easier access to info) Established database on business for municipal government An increase in public confidence of municipal government		Target Group(s): Local government: local administration Business community Citizens NGOs	
Possible Stakeholders :		Possible Contributions to the Project:	
Local government		Financial assistance Direct financial support, political support Offers specific information for various staff	
Business association and Private Sector		Financial support Technical assistance	
Prerequisites : Previous and selective preparation Adequate training facilities Estimated Costs : US \$10,000 Running costs: US \$2,000		Risk Factors: Limited financial resources Insufficiently qualified people to staff the office	
Time for Implementation : One year		Time to Impact: Review after 3 months of activity	

<p>Project: Promotion of Economic Cooperation with Others Cities and Countries</p>	<p>Program Type(s): Encouraging Local Business Growth Promote Inward Investments Investment in Soft Infrastructure Improving Local Business Enabling Environment</p>
<p>Short Description of the Project One of the main problems faced by the municipality is that there are so many changes to cope with and very little experience and expertise in many fields. This project aims to establish communication channels between municipalities in the hope that they can share experiences and program ideas. These exchanges could range from selling products in the other's market, creating joint ventures, exchanging students or trainees for apprenticeships. The project will involve professional correspondence, presentations, visiting and hosting the partners, organizing fairs and presentations, and preparing promotion materials.</p>	
<p>Expected Results: Increased opportunities for the local businesses that may find markets and partners in the partnering municipality. There is an opportunity for tourism development Increased number of businesses (either locals start new ones to match the ones of the partners or create Joint Ventures) Increased investments from outside the community Eventually all the above determine reducing number of unemployed</p>	<p>Target Group(s): Existing entrepreneurs Local administration. NGOs and associations Public institutions</p>
<p>Possible Stakeholders :</p>	<p>Possible Contributions to the Project</p>
<p>Local government</p>	<p>Leader of the project</p>
<p>Business association</p>	<p>Partner of the project</p>
<p>Chamber of Commerce</p>	<p>Possible partner for the implementation of the project</p>
<p>NGOs, Associations</p>	<p>Beneficiaries of the project due to the opportunities opened for partnerships</p>
<p>Public institutions</p>	<p>Involved in the implementation of the project and participants in the experience exchanges.</p>
<p>Diaspora</p>	<p>Supporter of the project, may represent a liaison with the communities where they settled</p>
<p>Prerequisites : City is determined to support the project and motivate other groups of the community to become involved There are available, suitable partners identified, willing to partner.</p>	<p>Risk Factors : City instead of increased transparency ends up by taking full advantage of the project for the personal interests of the staff.</p>
<p>Estimated Costs : Total: US \$17,000 Promotion materials: US \$2,000 Visiting partners: US \$5,000 Public relations: US \$3,000 Administrative Costs: US\$2,000 Organizing meetings and fairs: US \$5,000</p>	
<p>Time for Implementation : Start -up in about one year</p>	<p>Time to Impact : First evaluation after 1 -2 years of operations.</p>

Project: Business Community Survey		Program Type(s): Local Business Enabling Environment Program	
Short Description of the Project The objective of this project is to conduct a survey of the business community with business individuals from a wide variety of sectors in order to receive current information on the needs, goals and constraints of engaging in business, through a questionnaire prepared by the Directorate for Economy and Finance. This survey will be used to create a realistic overview of the needs of the business community, identify the tools to overcome challenges and design specific projects to address these needs.			
Expected Results: Better knowledge about local business Guidelines for SME support projects		Target Group(s):	
Possible Stakeholders : Chamber of Commerce Local government		Possible Contributions to the Project: Manager of the project Staff of the municipal departments	
Prerequisites : There is a socially endangered population		Risk Factors: Insufficient budget Lack of capacity to conduct and analyze surveys	
Estimated Costs : 3000 USD			
Time for Implementation : 2 moths		Time to Impact: 4 months	

CITY OF POPRAD



STRATEGY FOR
LOCAL ECONOMIC DEVELOPMENT
2002-2010

**Poprad, Slovakia
September 2004**

Disclaimer

This strategy has been written by the City of Poprad Municipal Team with advice and guidance from the World Bank Group and the Bertelsmann Foundation. The World Bank Group and Bertelsmann Foundation do not accept any liability for the accuracy or content of this strategy; they do however congratulate the Municipal Team for the quality of this work.

INTRODUCTION

Poprad is a key town located in the High Tatra region of north central Slovakia. It sits on the main road and rail connection that links Bratislava with the eastern part of the country. The town is situated close to southern border of Poland and has an airport with international connections. Poprad is an administrative center and manufacturing town, and the surrounding region is popular as a tourist destination. The mountains and infrastructure provide a supporting environment for winter sports. The town has a long history of manufacturing and has attracted a number of foreign investors, the most prominent being the Whirlpool Company and its associated suppliers. While Poprad is not a big city in comparison to other Slovakian urban centers, the town offers a good quality of life and a skilled workforce to investors.

Poprad is an active member of the Tatra Euroregion and works closely with its Polish partner town of Zakopane. In 1999, Poprad joined a network of central European cities established as part of the Cities of Change program, a program initiated by the World Bank and the Bertelsmann Foundation. Poprad, together with a number of other cities, participated in the Economic Development Cluster. A primary aim of the cluster was to develop a local economic development strategy to strengthen LED institutional capacity within the city administration. The program methodology was based on a five stage approach to LED strategic planning that included:

- Organizing the Effort
- Conducting the Local Economy Assessment
- Developing the LED Strategy
- Strategy Implementation
- Strategy Review: Developing a monitoring and evaluation system

In devising its LED strategy, a participatory process involving politicians, interdepartmental teams of civil servants and community members was established. This process commenced in 2000 and a local economy assessment was undertaken. An LED vision and goals were identified and following stakeholder consultation, these were approved by the City Council in 2002. Following this, additional LED programs and projects were selected and approved in 2003.

LED Institutional Set-up

To strengthen institutional capacity in City Hall, a number of developments were undertaken that included:

- A new department responsible for LED
- Multi-year financial planning was introduced to the finance department
- A 'one-stop shop' for citizens was created
- Strategy implementation procedure was established to update strategy the implementation plan every year
- A Council of Third Sector Organizations was established; this has eleven members that are representatives of all the NGOs working in Poprad

A number of new projects were prepared for implementation and several applications for European Union Structural Funds were submitted.

To develop an LED strategy using a participatory approach, three working teams were established:

- Working Group responsible for logistics and professional analysis
- Steering Committee responsible for drafting the strategy
- Stakeholder Group to consult on the draft strategy

Given that there was not a dedicated LED Department within the Poprad administration at the beginning of the strategy making process, a team comprising specialists from different departments was nominated as a **working group**. The leader of this team was the Poprad Cities of Change initiative coordinator. The team was responsible for strategy process, collecting data, conducting surveys and working with the Cities of Change program to prepare a local economy assessment and propose LED strategy goals, objectives and programs.

The Steering Committee discussed draft strategy proposals before stakeholder meetings and the Mayor was the steering committee leader. Additional staff members were invited as and when necessary, and the core steering committee consisted of:

- Mayor of Poprad; leader of the team
- Council Member
- Director of Poprad's Regional Advisory and Information Center
- Head of Economic Resources Division
- Head of Property Division
- Head of Business Division
- Representative from the Local Taxes and Charges Division

LED Stakeholders Group: The Local Development Council

In order to involve the business community in the strategy making process, the City Council initiated a stakeholder group of public, private (major industrial and tourism companies, commercial banks), and non-governmental organizations and institutions. Under the name of the Local Development Council, the stakeholder group is defined as an advisory body to the city administration in the field of the local economic development. The Local Development Council consisted of representatives from the following organizations:

- City Council: the Mayor of Poprad
- Head of City Council's Trade and Tourism Commission
- National Labour Office
- Statistical Office
- The Slovak Airport Administration
- Matej Bel University, Faculty of Economics
- Whirlpool Slovakia; producer of laundresses
- Tatramat; producer of water heaters
- Pivovar Tatran; local brewery
- Tatrakon; food producer
- Tatravagonka; manufacturer of rail wagons
- Darpop; restaurant operator
- Hotel Poprad
- Hotel Satel
- Volksbank
- Tatrabanka
- Chemosvit; a chemical factory based in the neighboring city of Svit
- Regional Advisory and Information Center (Poprad)
- Poprad Students Parliament
- Academy of Education
- Local newspaper journalist and tourism expert
- Slovak Chamber of Trade and Commerce

Strategy Making Process

The Local Development Council met twice, first in March 2001 to discuss the city's economic situation and strategy development process, and then again in October 2001 to discuss the results of a business attitude survey and SWOT (strengths, weaknesses, opportunities and threats) analysis. The city's LED vision and strategic goals were agreed as a result of these discussions. Also raised at this meeting was the perceived need for a local tourism organization and agency responsible for local economic development. The city council proposed a Commission for Trade and Tourism to review the draft strategy and prepare recommendations for the plenary meeting.

The Commission for Trade and Tourism has played an important role in facilitating local actions for tourism development. In October 2000, the Commission sought to create a Local Association for Tourism (LAT) and initiate closer collaboration with the City of High Tatras in the joint marketing and promotion of the region. In 2001, the Commission also sought to develop a public-private partnership to promote and market the newly reconstructed historic city quarter of Spišská Sobota.

The Commission is composed of members of the city council together with business and tourism experts. In aligning the activities of the Commission with LED strategy, it was appropriate that the Head of the Commission should become a member of the Local Development Council and activities of the commission have been incorporated into the strategy making process. Finally, the city council approved the city vision with strategic goals and decided to establish new department responsible for regional and local economic development. The tourism agency was incorporated in to the new department structure.

Over the next year, the local economy assessment was upgraded, and multi-year financial analyses were prepared. In consultation with different city units and stakeholders, a number of programs were identified and priority projects selected. A special NGO forum was institutionalised to encourage consultation on city plans with the non-governmental sector. At the beginning of 2003, the City Strategy for LED was approved by the city council, and in order to institutionalize the LED strategy implementation planning process, a regular annual procedure was established.

Structure of Municipal Government and City Budget

Poprad's activities and functions are determined by the Constitution of the Slovak Republic and is further specified by the Municipal Regulation Law. According to the Municipal Regulation Law, the self-governing functions are referring mainly to:

- Managing the property of the municipality, budgeting and final budget of the municipality
- Local taxes and charges
- Economic actions in the municipality
- Local roads, public areas, cemeteries, local cultural and sports facilities
- Environmental policy
- Regional planning documentation
- Own investment and enterprising activities of the municipality
- Public safety in the municipality
- Chronicle of the municipality landmarks care

For the period 2002-2006, there are 31 elected members.

Poprad Municipal Council has a number of responsibilities that include:

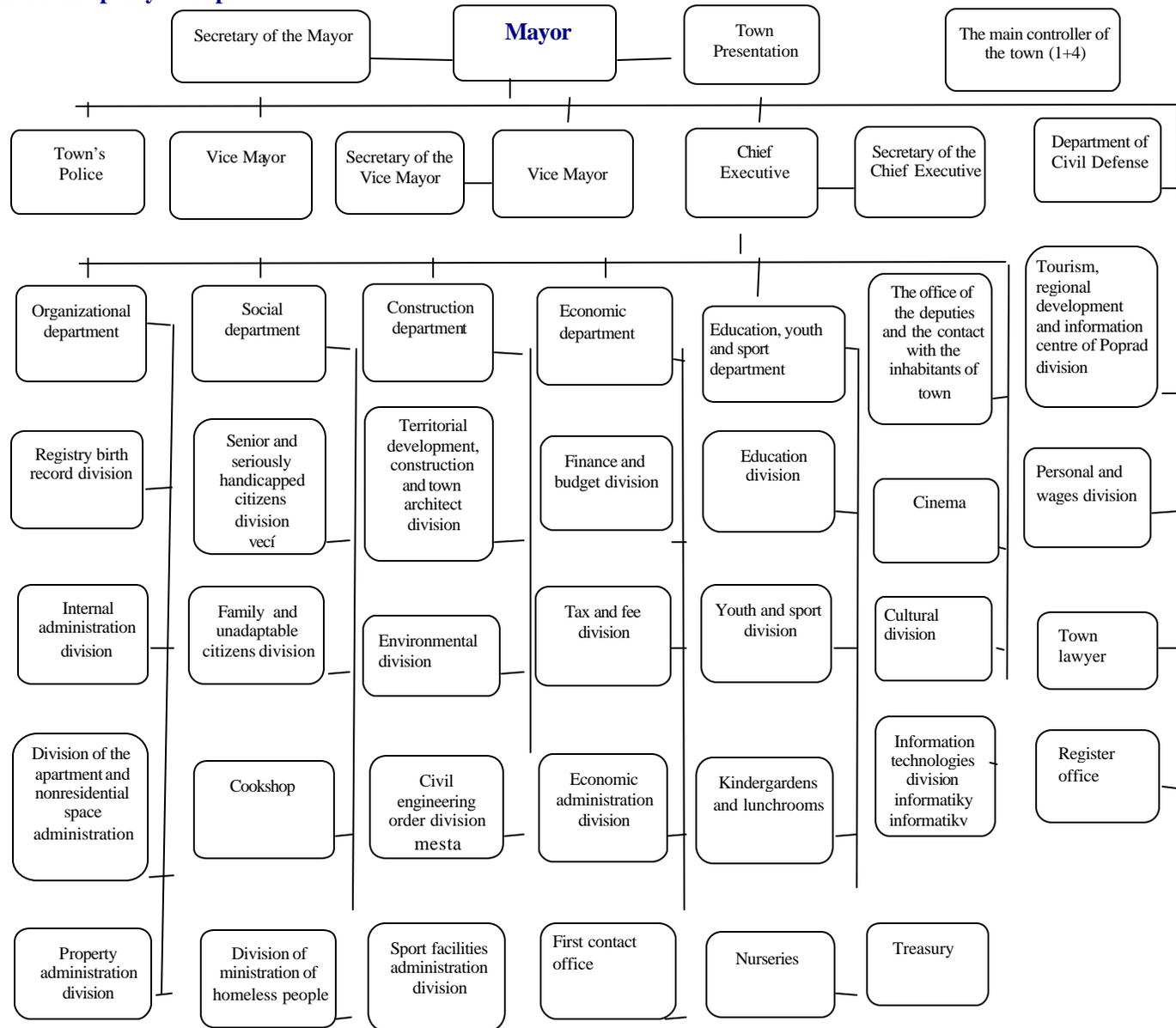
- Designating the managing principles with the property of the municipality and subsequently control them
- Approving the budget of the municipality and the budget changes and to control the budget
- Accepting the regional planning of the municipality and the concept of development
- Deciding about the introduction or cancellation of local taxes
- Announcing the polling municipal residents

- Resolving on resolutions
- Determining a set-up of the local authority
- Establishing and control the municipal enterprises
- Administering honorary citizenships

The city council can establish committees as its permanent or temporary advisory bodies. Committees consist of members of the local council and of residents of the municipality elected by the local council. The committees identified below are presently working in the municipality of Poprad:

- Social and housing
- Financial
- Education, youth and culture
- Tourism and regional development

Organizational Structure of the Municipality of Poprad



Breakdown of City Hall Employees

Operational Units	Actual Situation				Total
	Full-time		Part-time		
	Clerks	Labourers	Clerks	Labourers	
Staff	128	-	2	-	130
Cleaning Service	3	30	-	4	37
City Police	36	-	-	-	36
Care Givers	39	-	12	-	51
Café	1	5	-	-	6
Public Works Staff	4	-	6	-	10
Kindergarden	9	2	-	-	11
Cinema	3	1	-	-	4
Cook Shop for Pensioners	1	6	-	-	7
Hostel for Homeless People	1	3	-	-	4
Total	225	47	20	4	296

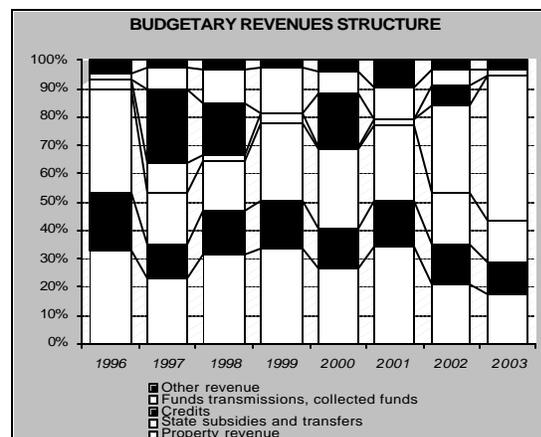
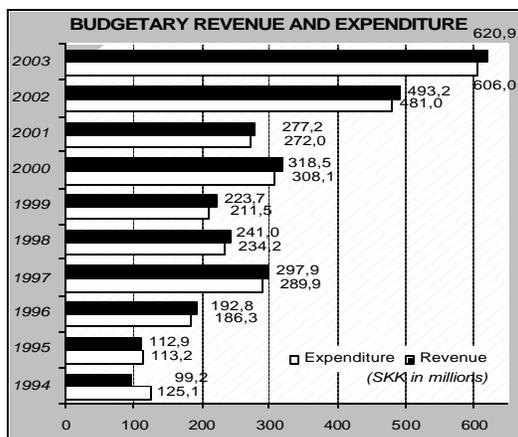
City Budget

A primary component of Poprad's municipal budget revenue comes from tax receipts from the state budget, income tax (local taxes and fees), property yields and the proceeds of sales, state subsidies, grants and transfers, credits, loans and other receipts. Poprad's budgetary revenue structure is displayed in the graphs below. Between 1996 and 2003, Poprad's budgetary revenue structure experienced change. While at the beginning of the period the largest portion of total revenue was represented by tax income and municipal property receipts from property ownership and sale, during the latter stages of the period, the largest proportion was represented by the transfer of responsibilities to the municipal level and associated budgetary resources. In 2003, state subsidies and transfers reached SK. 317.4 million to become a major source of Poprad's income (51.1%). State and national decentralization of construction, nursing, schools, social assistance and environmental protection and an associated transfer of financial resources resulted in municipal revenues increasing by 224% between 2001 and 2003.

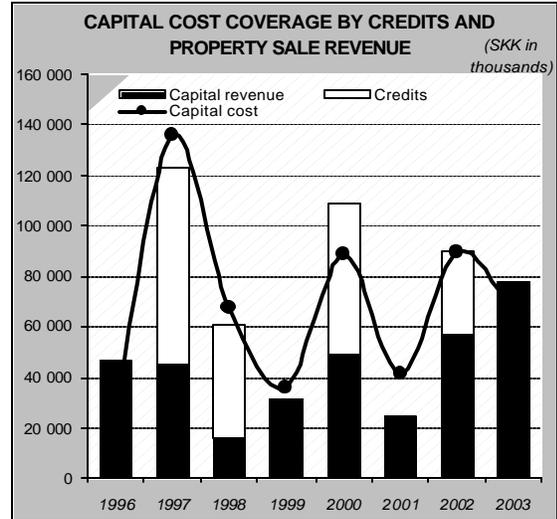
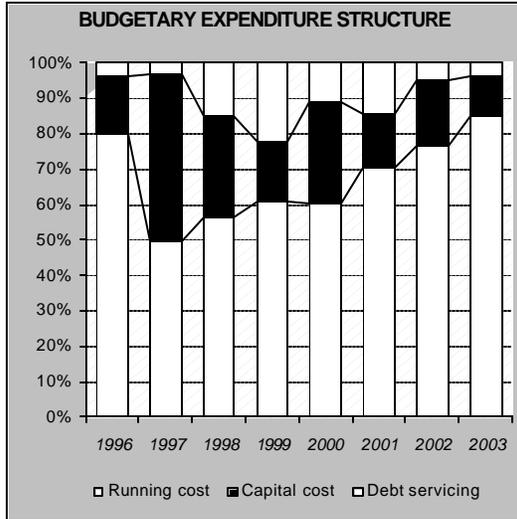
In terms of operational and capital expenses in 2003, the expected inter-year strengthening of non-capital expenses occurred (+40.5%) within the total cost.

Capital expenditure at the same level as for the last few years is not possible to maintain without additional sources of revenue. Municipal investment varies significantly and is dependent on whether the revenues in a given year is supplemented by credit resources.

During the last year of monitoring, a high volume of investment was financed by the capital revenues which exceeded capital costs.



At the end of 2003, the town was paying three Slovak crown credits and one Euro credit. After reviewing credit payments to the Dexia Bank of Slovakia, the level of debt servicing in 2002 and 2003 was settled at approximately SK. 23 million. A similar amount has been calculated for 2004, and municipal forecasts predict that by 2008, current municipal debt will fall to SK 17.5 million. In 2004, the city of Poprad was evaluated by an independent credit rating agency and judged to have a 'Ba+' credit rating, up from a rating of 'Baa-' in 2003.



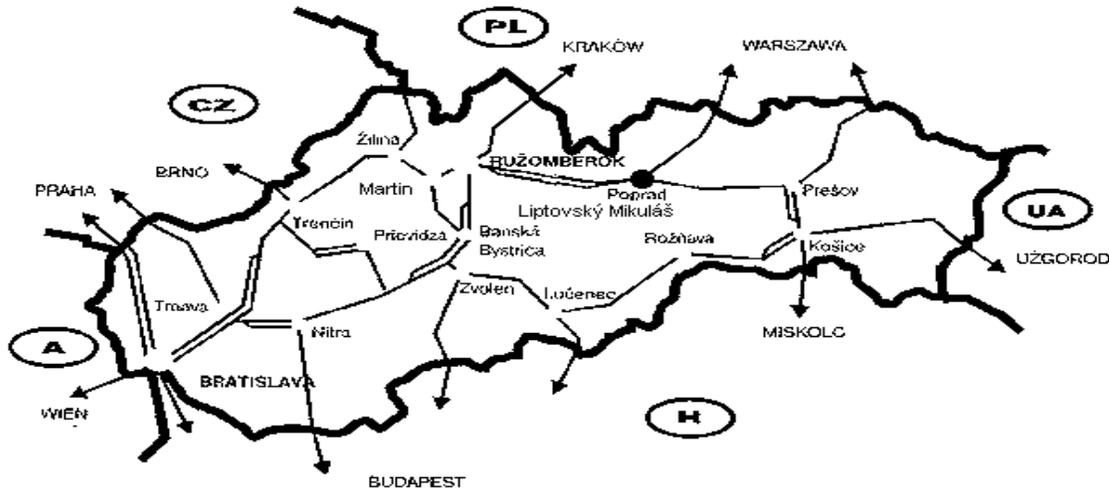
LOCAL ECONOMY ASSESSMENT

In undertaking the local economy assessment, the taskforce team collected data to review and identify the main issues affecting and guiding Poprad's growth and development. Data collected by the taskforce team and supplied by stakeholders provides an overview of the city's historical roots, geographical position, demographic data, unemployment status, economy, transport, spatial management, infrastructure, housing, health, education, sport and culture and environment

Basic Information

This modern town of forty-four thousand inhabitants south of the High Tatra Mountains is a center for tourism and leisure, and main gateway to the Tatra mountain range. The town extends over the Poprad basin alongside the river which bears the same name. It is an important communications nexus with an international airport. Potential exists to develop the town's engineering industry as exemplified particularly by the successful Whirlpool-Tatramat company, and for the region's tourism.

Poprad, the third largest town of the eastern Slovakia and the tenth Slovak largest town.



Poprad is located in the broad high valley that carries the Poprad River. The cadastre has an irregular radial shape covering an area of approximately 6,305 square kilometers. In the northern part of the district sits the High and Belianské Tatras massif. In the eastern part, lies the Levoca mountain chain; in the south, there is a low highland of the Kozie chrbty, and in the west, there are the heights of the Strbske dividing ridge. The High Tatras massif reaches to approximately 2,000 meters in height. Given its situation close to the Tatra range, Poprad boasts magnificent scenery. The town is surrounded by agricultural land, which then progresses into continuous forest.

The town's social, economic, and geographical significance results from its advantageous transport position both on the E50 road, a road with international significance, and the main rail route linking Kosice and Bratislava with a connection to the Czech Republic and the Ukraine. The international airport at Poprad-Tatry is situated at 718 meters above sea level.

While the number of workers employed in industry throughout the district has decreased, industrial production in financial terms is rising. Enterprises in the district are suffering from secondary insolvency resulting from companies being unable to pay their debts due to the companies themselves being unpaid for work undertaken. The possible development of the area should be oriented towards production restructuring and the utilization of unused production capacities

The city of Poprad consists of seven historical neighbourhoods:

- Poprad
- Matejovce
- Spišská Sobota
- Stráže
- Velká
- Kvetnica

The urban heritage reserve of Spišská Sobota is situated in the northern part of Poprad. This former market community has a uniquely preserved historical town square with a Romanesque church. Spišská Sobota is one of the best-preserved historical settlements in Slovakia and a visit there offers a welcome complement to a walking or sports holiday in the High Tatras.

Local Economy and Labor Market

Poprad has a long tradition of manufacturing. The flagship of the local economy is the Whirlpool washing machine factory, the first big foreign investor in Poprad. In the 12 years since Whirlpool located in the town, the annual level of production of washing machines has risen almost 20-fold from less than 100,000 units in May 1992 to 1.8 million in 2003. The Poprad factory is now Whirlpool's largest European plant and the factory in eastern Poprad has received additional production from other factories in the Whirlpool company. Whirlpool moved to Poprad in 1992, and during its first 10 years, the venture was initially a joint venture with a local manufacturer, Tatramat. Whirlpool invested three billion Slovak koruna (75 million Euros, USD \$89 million), mainly in equipment and energy supplies. Today, Whirlpool is Poprad's largest employer with 1,200 workers.

The company has created around 3,000 jobs in all including suppliers, and Whirlpool is continuing to move its suppliers to the site. Whirlpool is a hugely important company to Poprad and Poprad has one of the country's lowest unemployment rates.

The firm, which exports around 90 percent of its output, plans to reach capacity of 2 million washing machines in 2005. The arrival of Whirlpool has brought with it a whole new business culture to the region. Whirlpool has set up its own on-site affiliated university offering degree courses in economics and engineering machinery for 60 students at a time. The Czech firm AŽD, which makes cables for washing machines, opened a factory employing 250 people in Poprad as part of Poprad-based Whirlpool (Slovakia)'s policy of having its suppliers nearby.

Development trends of the Poprad industrial base are to be oriented towards optimising the infrastructure system, developing small and medium sized enterprises, and restructuring Poprad's industrial sectors. Poprad city council approved the allocation of 120,000 square meters of municipal land for industrial development use.

The industrial park is located in the Matejovce district of Poprad in the immediate vicinity of the western boundary of the present zone of Tatramat a.s. and Whirlpool Slovakia a.s., subsequently behind a local reserve for the development of Whirlpool Slovakia a.s. area. To the north, the park borders the southern boundary of the Matejovce residential area and to the south, it borders the planned route of the D1 highway. The industrial park can be divided into two interest parts:

- An area for the development of the Whirlpool facility together with space for existing sub-contractors and new sub-contractors (estimated intention of 600-800 labor positions)
- Areas of the industrial park itself (assumed intention of 200-500 labor positions)

The area of the industrial park is a logical continuance of the current plants Whirlpool Slovakia a.s. and Tatramat a.s. as well as the present undeveloped area for enlargement of the Whirlpool production toward to the west.

The industrial park covers approximately 10 hectares. In addition to administrative buildings, there are production plants. The manufacturing plants are situated to the north of the park and cover an area of 3,000 m². These are mainly assigned for machinery production. Smaller facilities are located to the south of the site.

Proposals exist to use European funds to develop an electro-technical and machinery vocational training center in Matejovce, where students would be able to receive a graduate education associated with the manufacturing needs and skills of the industrial park.

The locality has a direct railway connection with the independent factory delivery track into the main railway station Poprad-Tatry. At present, a nearby Tatramat area has a private rail track with loading and unloading space available. Employees have access to transportation through a public bus service that serves the industrial park directly. Existing bus routes connect the northern area with villages situated in the Kežmarok district up to Stará Lubovna

Workforce and Unemployment

In December 2003, the unemployment rate in Poprad was 15.83% (the number of unemployed people was 8,139) compared to a national unemployment rate of 15.56%. The average absolute number of unemployed in 2003 was 9,030 people and in comparison to the 2002, it decreased by 19.1% (1,723 people). The average unemployment rate reached the level of 15.74% (in 2003: 19.04%).

In terms of the age structure of the unemployed, the largest group consists of young people in the 20-24 age group, and totals 1,635 individuals; the share of the group is 19% of all registered unemployed.

From the educational perspective, all levels of education experienced a decrease in registration. The biggest decrease was registered in the group of people with basic education (primary school). The second largest group were citizens with secondary level education. 3,766 registered unemployed (41%) had only basic education according the District Job Office in Poprad (December 2003).

A major problem facing Poprad is the extent of the long term registered unemployed people as a proportion of the registered unemployed. A characteristic of the long-term unemployed is a low level of educational achievement. 58.7 % of this group have only an elementary education. The average number of registered unemployed graduates in 2003 was about 650, of which 370 were registered for less than one year. A large number of these registered unemployed graduates come from the technical training institutions.

List of biggest employers shows that the Poprad labour market is heavily dependent on city administrative functions and industrial activities.

Major Employers in Poprad

Name of Employer	Form of Ownership	Number of Employees	Activity
Baliarne obchodu a.s.	Joint-stock company	217	Packing-plant
Cestné stavby a.s. Košice	Joint-stock company	140	Road construction
GAS & OIL s.r.o.	Limited	190	Planning
Jednota SD	Cooperative	400	Trade
Lesy Prešov, š.p. Správa lesov	State company	50	Forest
Mesto Poprad - MsÚ	Municipality	224	Municipality
Novastav a.s.	Joint-stock company	25	Construction
NsP Poprad	State company	1,270	Hospital
OD PRIOR Poprad a.s.	Joint-stock company	100	Shopping centre
Okresný úrad Poprad	Budgetary	2,651	Public Administration
PD Družba Poprad	Cooperative	88	Agriculture
Perkins - P. Bendík	Joint-stock company	150	Food processing
Pivovar TATRAN a.s.	Joint-stock company	140	Food processing
Podtatran VD	Cooperative	86	Manufacturing
Pozemné stavby Poprad a.s.	Joint-stock company	175	Construction
Sachsering-Tatramat s.r.o.	Limited	98	Engineering
SAD š.p. Poprad	State company	554	Transport
SCAMETATRA a.s.	Joint-stock company	120	Engineering
SINTRA s.r.o. Blava, OZ Zdroj PP	Limited	480	Trade
Slov. pošta š.p. SPP Poprad	State company	515	Mail services
Slovenská sporiteľna a.s. Poprad	Joint-stock company	169	Finance
Slovenské telekomunikácie a.s.	Joint-stock company	255	Telecommunication
SLOV-VIA a.s.závod 12	Joint-stock company	60	Road construction
Sociálna poisťovňa, pobočka PP	Public	92	Insurance
SPP š.p. OZ Poprad	State company	289	Gas supplier
SSC, Správa a údržba Poprad	Budgetary	138	Road construction
Stavbár a.s. Poprad	Joint-stock company	190	Building construction
Stav.mechanizácia a doprava, a.s.	Joint-stock company	41	Transport
Stavomontáže Poprad a.s.	Joint-stock company	170	Construction
SVP, š.p. OZ PBAH, závod Poprad	State company	171	Administration of Rivers
TATRAKON s.r.o. Poprad	Limited	170	Food processing
Tatramat a.s. Poprad	Joint-stock company	530	Engineering
Tatrastav a.s.	Joint-stock company	140	Construction
Tatravagón s.r.o. Poprad	Limited	170	Engineering
TATRAVAGÓNKA a.s. Poprad	Joint-stock company	2,250	Engineering
Ústav TBC a RCH	Contributively	192	Medical services
Vsl. vodárne a kanalizácie šp	State company	270	Pipe and sewage water
VÚB a.s., pobočka Poprad	Joint-stock company	190	Finance
Wagonmarket s.r.o.	Limited	38	Engineering
Whirlpool Slovakia a.s. Poprad	Joint-stock company	1,200	Engineering
ŽSR -Správa elektrot.a energet PP	State company	222	Railway
ŽSR - Mzdová úctov. skupina PP	State company	247	Railway

Tourism

Tourism is one of the main business activities in Poprad and the region. A number of large and small hotels offer comfortable conditions to different clientele. In the town of Poprad, there is an ice skating rink, a predominantly English-language cinema, a golf course featuring the world's longest fairway and a variety of shops, bars, restaurants and nightclubs. An aqua park was built over a geothermal spring and providing Poprad with its own water and heating. AquaCity comprises the very best accommodation as well as the latest spa facilities offering a range of thermal treatments and innovative therapies.

The City of Poprad is located south of the High Tatras National Park and is a center for tourism and leisure and a main gateway to the Tatras mountain range. There are a number of well-known ski centers in the High Tatras and a number of nearby smaller tourist attractions including the centers of Lopošná Dolina and Spišské Bystré. The Slovak Paradise National Park is situated 14 kilometers from Poprad and other nearby tourist attractions include rafting at Pieniny-Ľervený Kláštor, the castle at Spišský hrad and the Demänovská caves.

The city has relatively few cultural facilities, and there is a need for improved cultural and entertainment facilities. Poprad has a long tradition of organizing sporting events and there is a demand for a large sports hall. The town boasts suitable conditions for tourism development (geographical location, surroundings, accessibility), and it is necessary to elaborate on the tourism development concept, undertake promotion and city marketing, and further utilize the available geothermal water source. The development of recreational facilities is a challenge for the city representatives as well as for entrepreneurs.

Over 350 kilometres of hiking trails cross the nearby countryside, as do hundreds of kilometers of mountain biking routes that vary in difficulty from the extremely rugged to the very gentle. Over the last thirty years or so, the High Tatras have played host to the World Ski Championships and European Ski Jumping Championships and more and more western visitors have joined Slovaks, Poles, Czechs, Hungarians and Russians on annual pilgrimages to the ski slopes. The High Tatras are home to the largest concentration of ski runs, jumps, cable cars and rental shops in the country. Ski centers are spread throughout the mountains and the Tatras Electrical Railway connects most of them. Good signage and easy-to-follow maps highlight ski routes. Almost every resort has at least one ski-rental shop close to the ski lift.

The best known ski slopes are around Strbske Pleso, Starý and Nový Smokovec, Tatranska Lomnica and Zdiar. Strbske Pleso and Tatranska Lomnica also offer night skiing. For non-skiers, the surrounding trails offer winter hikes. Some of the best walking and hiking in Europe await visitors to the region with over 13,000 km of clearly marked routes cutting through forests, glacial lakes and mountains.

Demography

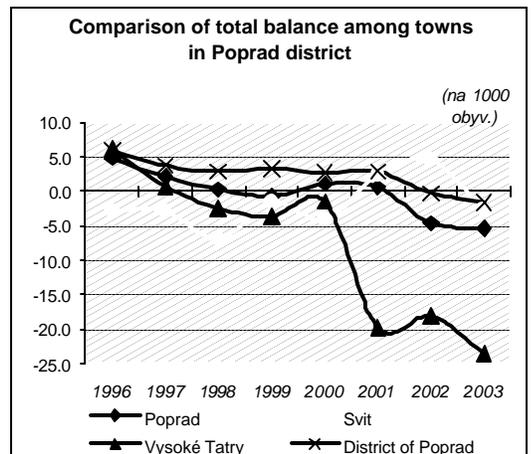
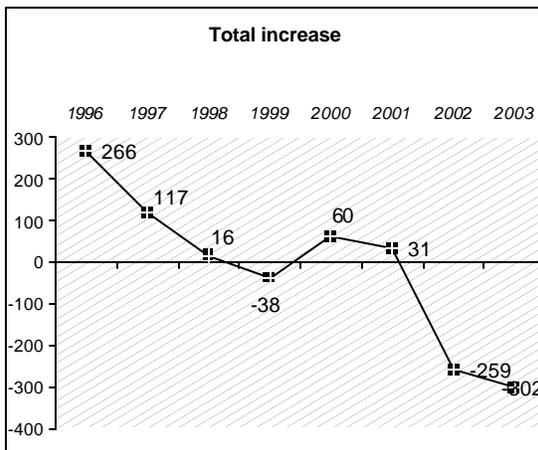
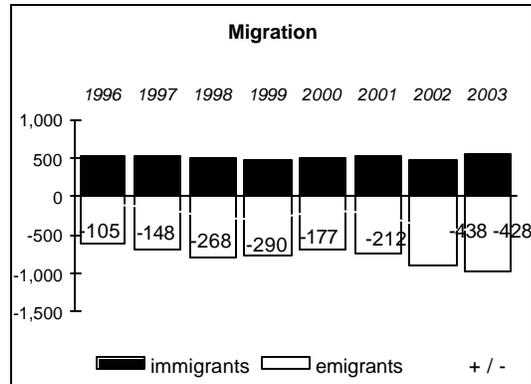
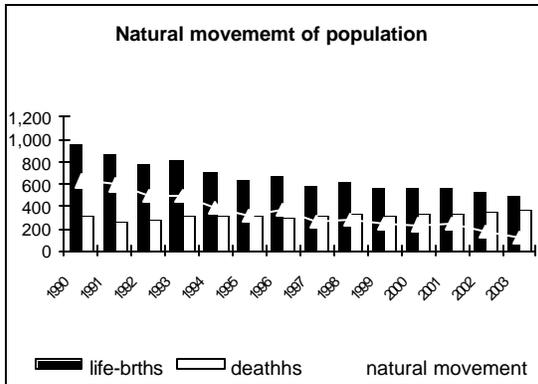
With a population of 55,680 (2003) Poprad is experiencing a decline in its population. Poprad's population was lower in 2002 than in the previous year. The District of Poprad has a population of 104,356 inhabitants and the city of Poprad comprises 53.35 % of the district population.

Demographic breakdowns are shown in the graphs below. A general trend in Poprad is the increase in the number of retired age-group, with an increase of 10.9% to 17.5% between 1995 and 2003. A similar trend is visible in the working age group which experienced a rise from 62.9% in 1995 to 71.14% in 2003. The main fall in numbers was recorded in the group of before working age that experienced a reduction, down from 26.2% to 11.32% in the same time period.

Poprad's population density figures highlight that there are 883 citizens per square kilometer, and in terms of ethnic origin, the city's population is: Slovak (94%); Roma (1%) and Czech (1%). 65% of the population are Roman Catholics; 7% are Protestants, with 17% of the population being non-religious.

In 2001, Poprad's population increased by 31, but this was offset by a population decline of 259 citizens in 2002 and 302 in 2003.

The District of Poprad consists of three towns: Poprad, Svit a Vysoké and Tatry. The city of Poprad has the highest share of working age group from all of district's towns, as well as from district itself.



Education

Educational trends show that there is a significant decrease in the number of people with a basic/elementary education. At the same time, there is an increase in the number of people finishing higher education and graduating from university. This is as a result of the activities of new educational institutions.

Structure of Poprad District

Type of Institution	Number of Pupils	Percentage (%)
Elementary	25,524	24.7
Vocational School	20,553	19.9
Training Institution	17,274	16.8
Secondary School	2,875	2.8
University	5,806	5.6
Others	879	0.9

From the educational point of view, it is clear that the population of the city with full secondary school education or university education is rising.

Schools in Poprad

Type of School	Number	Sector
Nursery School (1,747 children)	12	State
Special Nursery School	1	State
Elementary Schools (6,682 pupils)	12	State, one church
Alternative Elementary School	1	State
Artist Elementary Schools	2	State, private
Special Elementary School	1	State
Center of Free Time	1	State
Center of School's Services	1	State
Secondary Schools		
▪ Comprehensive Schools	2	State
▪ Comprehensive School	1	Church
▪ Business College	2	State, private
▪ Medical School	1	State
Vocational School		
▪ Technical College	1	State
▪ Girl's Vocational School	1	State
▪ Training Schools (building construction, engineering, services, electrical)	4	State
University		
▪ University of Matej Bel	1	Faculty of Economy, Management
▪ Pedagogical University Prešov	1	University of Third Age
▪ Poprad City University	1	Pedagogy
▪ Church University Ružomberok	1	Management Nursing, management
Other types of education (NGO)		
▪ Academy of education	1	Language, Training, Business Education
▪ Regional Advisory Information Centre	1	Marketing, Management, Human
▪ Centre of Science and Technique	1	resources

Transport and Infrastructure

Poprad lies on Slovakia's main east-west highway and is approximately 328 kilometres east of Bratislava. The city is well connected to the rail network and is considered to be a rail terminus. A train depot is located adjacent to the railway station providing an opportunity to build a rail freight cargo transfer terminal. The station infrastructure does not however meet modern railway transport standards.

The Poprad-Tatry Airport is located five kilometres west of Poprad. The airport is open year round and is capable of accommodating short and medium range airliners. Poprad-Tatry Airport presently handles international charter flights from Russia, the Ukraine, Germany and Bulgaria, and private and business flights.

The city's parking system is also influenced by the fact that the level of individual motorisation exceeds the national level. It is inevitable to solve the issue of parking areas both in urban areas (housing estates) with the highest population density as well as in the centre of the city, taking into consideration the incoming visitors.

DEVELOPING THE LED STRATEGY

The Local Development Council stakeholders group were invited to assess the city's competitive position, strengths, weaknesses, opportunities, threats, and define key issues that should be taken into account in the LED strategy development process.

SWOT Analysis

	Internal	External
Positive	<p>Strengths</p> <ul style="list-style-type: none"> ▪ Higher than average working age population in comparison to national or regional average ▪ Growth in the city's financial sector ▪ Presence of Whirlpool Co. and associated development activities ▪ Proximity of city to tourism attractions (4 national parks) ▪ Urban heritage reserve of Spišská Sobota ▪ Potential of geothermal springs at Grebpark ▪ Location of city on main east-west transportation routes (road and rail) ▪ Air Rescue Service in Poprad supporting tourism development ▪ Kvetnica Medical Centre ▪ Kvetnica Recreational Zone ▪ International Mountain Films Festival ▪ Tradition of organizing sporting events ▪ Effects of Regional Advisory and Information Center's work 	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Tradition of machine production in the city ▪ Export potential of industrial enterprises (Whirlpool, Tatramat, Tatravagónka) ▪ Landscape suitable for breeding of cattle and sheep ▪ Development of housing savings/mortgages financing ▪ Privatisation of housing stock ▪ Poprad-Tatry Airport ▪ Construction of D1 highway ▪ Development of telecommunications sector ▪ Preparation of tourism law ▪ List of housing applicants registered by municipality ▪ Cross-boarder cooperation with Poland ▪ EU Accession Programs ▪ Possibility of cross-boarder co-operation with Poland ▪ City candidacy for WOG ▪ Increased number of foreign supermarkets chains ▪ Privatization of agriculture ▪ Construction of the new highway D1
Negative	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Lack of LED institutional capacity ▪ Out-migration and population decline ▪ High unemployment rate ▪ Low quality of tourism services ▪ Overloaded inner transportation system ▪ Need of strategic development division within ▪ Existence of informal economy ▪ Location of Tatrakon in the city center ▪ Existence of Brownfields ▪ Lack of Greenfield sites for industrial development ▪ Lack of spatial planning ▪ Unfinished water treatment plant and lack of investment in water and wastewater system ▪ Imbalanced housing ▪ Lack of sport hall and conference center ▪ Lack of local tourism organization 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Aging population ▪ Decline of agriculture sector ▪ Weak construction sector ▪ Unfinished water privatization process ▪ Shortage in housing supply ▪ Increasing disparity between real income of population and construction costs of housing/rental costs ▪ Deteriorating housing stock ▪ Lack of a geriatric department at hospital, and lack of accommodation facility for an oncological center ▪ Unstable university education ▪ Insufficient financial transfers from central government ▪ Lack of housing ▪ Secondary insolvency

Data collected as part of the SWOT analysis are formed into a "Report on State of the City", with intention of establishing a regular updating of the document. This report describes the city profile from a number of viewpoints: history, overall geographical position, demographic data, unemployment status, economy, transport, administration, city finances and budget, spatial management, infrastructure, housing, health, education, sport and culture, environment. This comprehensive document forms a good basis on which to formulate the SWOT analysis.

Results of Business Attitude Survey

In addition to this report, the city taskforce team undertook a business attitude survey to identify the opinions of businessmen and women on the state of the entrepreneurial environment. The business attitude survey was undertaken in the summer of 2001 and questioned 65 local businesses. 30 responses were received and the results are listed below. Key factors identified as hindering business development include:

- Cost of energy and materials
- State rules and limitations
- High interest rates of credits and lack of credits
- Foreign competition

From those business surveyed, almost 40% of production/services are sold locally within the District of Poprad; 24% are sold within Eastern Slovakia and 18% of products are exported outside of Slovakia. In order to enhance the business environment, businesses identified transportation infrastructure, the attraction of foreign investments, the building of industrial parks, and better marketing of the city and tourism development as being key factors.

Results of Business Attitude Survey were presented to the Local Development Council in October 2001. During the discussion, LDC members expressed the need for tourism development, together with improvement in transportation connection, especially the better utilization of Poprad airport.

VISION

Based on the results of the local economy assessment and discussions held in October 2001, the LDC adopted the following vision for Poprad's development:

"In 2010, the City of Poprad will be a dynamically developing municipal unit, with developed citizen-oriented municipal democracy, fully integrated into the European Community of local governments, characterised by attractive socio-economic conditions and environment, providing an interesting spectrum of entrepreneurial opportunities for the location of domestic as well as international investments."

LED Goals, Objectives, Program and Projects

The “Report on State of the City” together with the improved SWOT analysis were presented to the Local Development Council at the end of May 2002, prior to the Local Council meeting. Discussion occurred and comments were received. After incorporation of the LDC comments into the Report, SWOT analysis, LED strategy goals and revision of first version of the city development vision, the whole document was presented on the Local Council meeting.

The detailed and advanced LED Strategy with developed objectives and programs was elaborated on in the second half of 2002 as 2002 was a year of municipal elections (as well as Slovak parliament elections). The Strategy was approved by the new Local Council of Poprad.

POPRAD LED ‘VISION TO PROJECTS’ MATRIX

Vision	Goals	Objectives	Programs	Projects
<p>“In 2010 the city of Poprad will be dynamically developing municipal unit, with developed citizen oriented municipal democracy, fully integrated into European community of local governments, characterized by effective and transparent self-governing apparatus, attractive socio-economic conditions and environment, providing quality technical infrastructure and interesting spectrum of entrepreneur opportunities for location of domestic as well as foreign investments.”</p>	<p>G1: To expand tourist industry in Poprad.</p>	<p>G1:O1: To promote City of Poprad as tourist destination and increase number of visitors in the city. Measured by number of visits</p>	<p>G1:O1:PG1: Historical tourist attractions program</p>	<p>G1:O1:PG1: p1: Revitalization of Spiska Sobota project</p>
				<p>G1:O1:PG1: p2: Revitalization of Velka project</p>
				<p>G1:O1:PG1: p3: Spiska Sobota tourism promotion project</p>
		<p>G1:O1:PG2: Business tourism program</p>	<p>G1:O1:PG2: p1: Congress Center project</p>	
		<p>G1:O1:PG3: Recreation tourism program</p>	<p>G1:O1:PG3: p1: Aqua park project</p>	
			<p>G1:O1:PG3: p2: Tourist exhibition In Krakow</p>	
		<p>G1:O1:PG3: p3: Tourist exhibition in Prague and Berlin - co-participation</p>	<p>G1:O2:PG1: p1: Days of the town Poprad</p>	
	<p>G2: To expand economic base of Poprad</p>	<p>G2:O2: To develop complex and integrated regional (Poprad and High Tatras) tourist offer in next two years and increase tourism visits. Measured by number of visits</p>	<p>G1:O2:PG1: Development of existing tourism attractions program.</p>	<p>G1:O2:PG2: p1: Bicycle path</p>
			<p>G1:O2:PG2: Development of new tourism products program.</p>	<p>G1:O2:PG2: p2: International festival of movies</p>
		<p>G2:O1: To expand SME base (measured by SME employment growth)</p>	<p>G2:O1:PG1: SME Support program</p>	<p>G2:O1:PG1: p1: Training program for beginners</p>
			<p>G2:O2: To attract inward investments (number and amount of investments).</p>	<p>G2:O1:PG1: p2: Financial incentives program for SME</p>
				<p>G2:O2:PG1: Preparation of industrial and commercial sites.</p>
			<p>G2:O2:PG2: Development of industrial cluster.</p>	<p>G2:O2:PG1: p2: Matejowice Greenfield project</p>
<p>G1:O2:PG2: p1: Industrial development project</p>				
<p>G2:O3: To increase export of local companies (export value per employee)</p>	<p>G2:O3:PG1: SMEs. Export program</p>	<p>G2:O3:PG1: p1: Introduction to European markets project</p>		
<p>G2:O4: Workforce development (educational structure of employed population)</p>	<p>G2:O4:PG1: Development of qualified and skilled employees according to existing demand.</p>	<p>G2:O4:PG1: p1: Vocational training meets industry demand for skilled workforce</p>		
<p>G2:O5: Promotion of IT usage in business (increase of businesses’ internet connections and domains</p>	<p>G2:O5:PG1: Program for supporting of IT technologies.</p>	<p>G2:O5:PG1: p1: Introduction in internet possibilities to Poprad companies</p>		

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF POPRAD (2002 - 2010)

	G3: To expand technical infrastructure of the city	G3:O1: Development of infrastructure improving business environment	G3:O1:PG1: Hard infrastructure development program	G3:O1:PG1: p1: Rebuilding of the crossroads in Sp. Sobota- Vagonarska Street
				G3:O1:PG1: p2: Connection of Srobarova and Tajoskeho street
				G3:O1:PG1: p3: Adjustment of the local crossroads Hranicna, Slovenskeh
				G3:O1:PG1: p4: Rebuilding of the crossroads in Sp. Sobota, school neighbourhood preparation
				G3:O1:PG1: p5: Master plan of Poprad
				G3:O1:PG1: p6: Reconstruction of Moyzesowa and I/18 street crossroads
				G3:O1:PG1: p7: Revitalisation study of the center of Matejowice
				G3:O1:PG1: p8: Reconstruction of the centre of Velka II
				G3:O1:PG1: p9: Reconstruction of D Tatarka st. pavement
	G3:O2: Development of infrastructure improving quality of life	G3:O2:PG1: Housing development program	G3:O2:PG1: p1: Study for social and Roma's housing	
			G3:O2:PG1: p2: Technical facilities for housing construction Poprad Matejowice	
			G3:O2:PG1: p3: Technical facilities for housing construction Poprad Straze	
			G3:O2:PG2: Revitalisation program	
			G3:O2:PG2: p1: Completing of stairs to Immaculate Straze	
			G3:O2:PG3: Infrastructure for recreation	
G4: To strength public administration in city of Poprad	G4:O1: Establishment of integrated management system focused on strategy implementation	G4:O1:PG1: Staff training program G4:O1:PG2: New management tools program	G4:O1:PG3: p1: Construction project documentation for football stadium Poprad Straze	
			G4:O1:PG3: p2: Multifunctional sport hall construction documentation	
			G4:O1:PG1: p1: Staff training project	
			G4:O1:PG2: p1: CIP development project	
			G4:O1:PG2: p2: MIS development project	
			G4:O1:PG2: p3: Implementation of multiyear financial planning project	
			G4:O1:PG2: p4: Establishment of the LED department	

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF POPRAD (2002 - 2010)

		G4:O2: Increase of prepared projects financed/cofinanced from external sources	G4:O2:PG1: Project management program	G4:O2:PG1: p1: Project development workshops		
		G4:O3: Citizen/businesses oriented administration system	G4:O3:PG1: Citizen and businesses information program	G4:O3:PG1: p1: Information 'kiosk' project G4:O3:PG1: p2: 'One-stop' shop project		
	G5: To expand and improve social services	G5:O1: Institutional development of local community (number of organisations and associations)	G5:O1:PG1: Non-governmental sector development program	G5:O1:PG1: p1: NGOs forum		
			G5:O1:PG2: Youth support program	G5:O1:PG2: p1: Return sport for youth		
		G5:O2: Human resources development (educational structure of community)	G5:O2:PG1: School education program	G5:O2:PG1: p1: Renovation of school buildings project G5:O2:PG1: p2: ICT in schools		
			G5:O2:PG2: After -school education program	G5:O2:PG2: p1: Vocational trainings G5:O2:PG2: p2: IT for adults training project		
			G5:O2:PG3: Development of cultural activities	G5:O2:PG3: p1: Days of the town of Poprad G5:O2:PG3: p2: Spisska Sobota festival		
				G5:O2:PG4: Development of sport and leisure time activities	G5:O2:PG4: p1: School Olympic games fro children and youth of Poprad G5:O2:PG4: p2: Tatra skiing league G5:O2:PG4: p3: Euro league of mountain bicycles G5:O2:PG4: p4: Tournament of three cities G5:O2:PG4: p5: Days of sport G5:O2:PG4: p6: Run of Olympic day	
			G5:O3: Reduction of social exclusion (number of homeless, social benefits expenditures)		G5:O3:PG1: Equal chance program	G5:O3:PG1: p1: Trip for active members of pensioner's club G5:O3:PG1: p2: Pensioner's clubs G5:O3:PG1: p3: Roma's educational projects

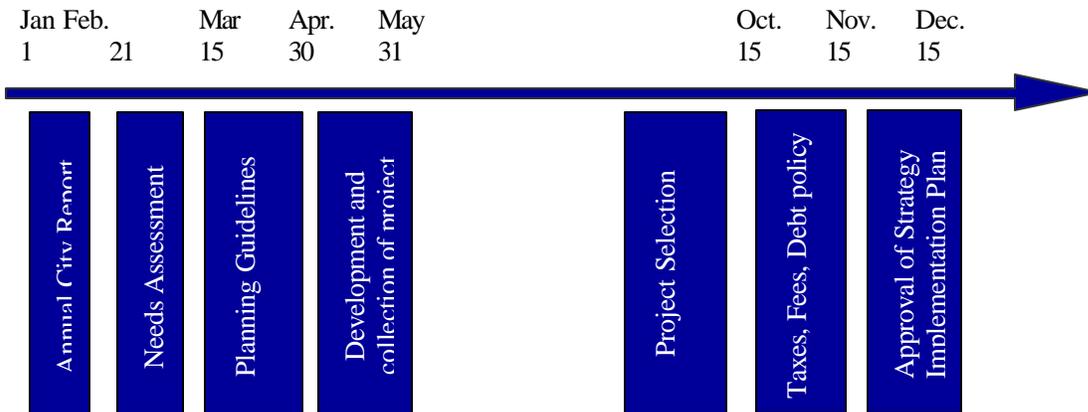
IV. STRATEGY IMPLEMENTATION

A strategy implementation plan called the *Poprad Marketing Plan* is a part of the City of Poprad's strategic planning system. According to the timeline outlined below, different partners are working on the annually updated Strategy Implementation Plan following the steps listed below:

- Annual Local Economy Assessment
- Needs assessment, key issue identification and planning guidelines
- Collection of project requests
- Project selection and draft strategy preparation
- Multi-year financial forecast and creditworthiness analysis, and the establishment of local tax rates, local fees and city debt policy
- Strategy implementation plan approval.

The following partners will participate in the annual cycle of Strategy development and implementation:

- City Council
- Mayor
- Steering committee
- Municipal departments and other city units
- Entrepreneurs, NGOs and citizens

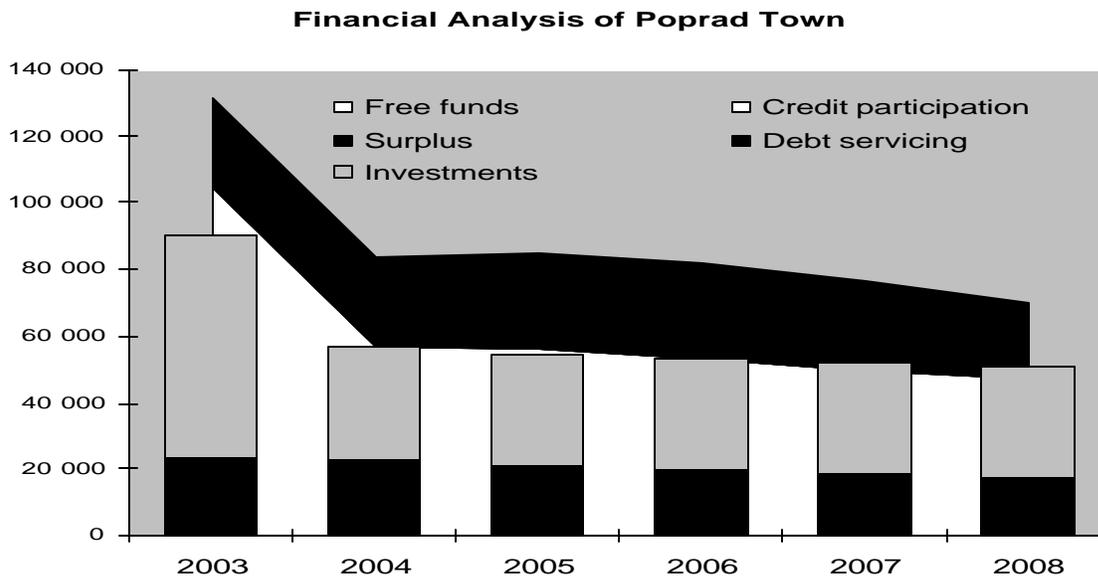
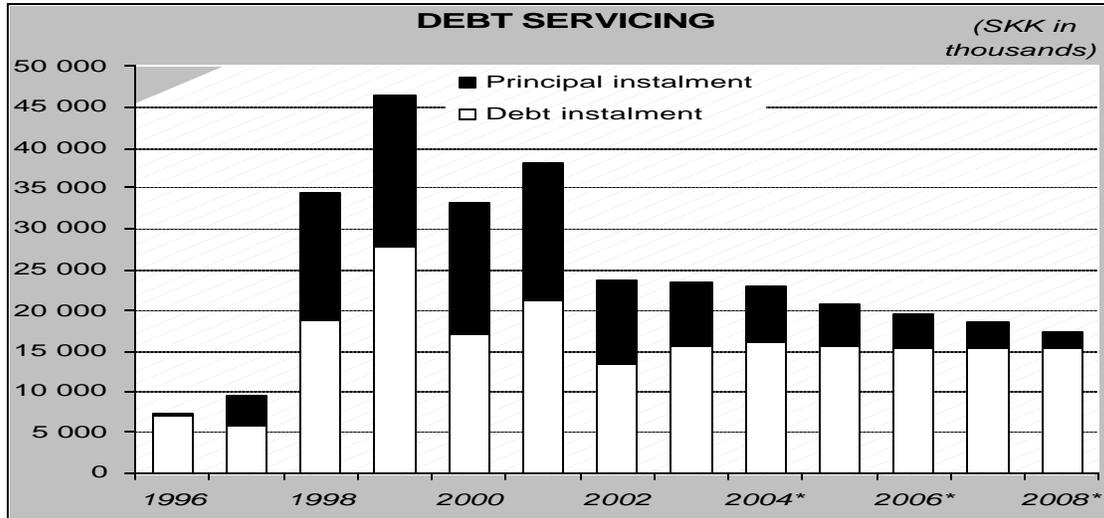


The Marketing Plan of Poprad (2004-2006) is going to be the basic direction for actions of the municipality of Poprad for next three years that will be limited by the approved budget for each single year. The local council of the town of Poprad will approve the municipal budget for 2004 during its session in November 2004 and the strategy implementation plan for this year is represented by the approved projects.

Within the Cities of Change project, the long-term financial predictions have been elaborated via the utilization of the programming tools of the GFAM and MIP. As a prediction parameter, the basis of the state budgetary proposal were used. The main goal of such a financial analysis is to estimate the development of the revenue and expenditure of the town budget and the ability of the town to realize its development projects, eventually to its financial resources by the means of credits and the credit capacity of the town.

The output of the analysis results in the graph which illustrates the relationship among the investment coverage and debt servicing by the means of free funds (a difference between revenues without credits and running cost without the debt servicing), a budgetary surplus and potential credit resources. The budget for the year 2004 has been approved as a balanced budget, that is why the free funds amount is

identical with the debt servicing and investment volume. Following the estimation of maintenance of the capital cost amount for coming years at least at the volume of the year 2004, we get to the conclusion that such an investment tempo is possible to keep without any parameters changing only in case of gradual spending/consuming of the accumulated budgetary surplus.



Analyzing City priorities and available financial resources following projects were selected for implementation.

V. CITY OF POPRAD PROJECTS MATRIX

Strategy Goals	To expand tourist industry in Poprad	To expand the economic base of Poprad	To expand technical infrastructure of city	To strength public administration in city of Poprad	To expand and improve social services
LED Projects					
Master plan of Poprad	X	X			
Study for social and Roma's housing			X		X
Revitalisation study of the centre of Matejovce	X	X	X		
Reconstruction of the center of Velka II. Phase	X	X	X		
Construction project documentation for football stadium Poprad Straze			X		
Technical facilities for housing construction Poprad Matejovce			X		
Technical facilities for housing construction Poprad Stráže			X		
Multifunctional sport hall: construction documentation, EIA	X		X		
Connection of Srobarova and Tajovskeho street			X		
Completing of stairs to Immaculate Straze	X		X		
Bicycle path	X		X		
Adjustment of the local crossroads: Hranicna, Slovenského odboja a Wolkerova - preparation			X		
Rebuilding of the crossroads in Sp. Sobota-Vagonárska St. school neighbourhood-preparation			X		X
Rebuilding of the crossroads in Sp. Sobota-Vagonárska St .			X		X
Reconstruction of Moyzesova and I-18 street crossroad-traffic lights	X		X		
Reconstruction of D. Tatarka street pavement	X		X		
Days of the town Poprad	X	X			
Information "kiosks" project	X	X		X	
International festival of Mountain movies	X	X			
Trip for active members of pensioner's club					X
Pensioners' clubs					X
Return sport to youth	X	X			X
Congress Center project	X		X		
Aqua park	X		X		
Tourist exhibitions	X				
Tourist exhibition in Prague and Berlin co participation	X				
Spiska Sobota tourist promotion project	X				
Training program for beginners		X			
Finance incentives program for SME		X			
Revitalization of post industrial facilities		X	X		
Matejovce Greenfield project		X	X		
Industrial development project		X	X		
Vocational training meets industry demand for skilled workforce		X			X
Introduction in Internet possibilities to Poprad companies		X			X
Staff training project				X	
CIP development project				X	
MIS development project				X	
Implementation of multiyear financial planning project				X	
'One-stop shop' project				X	
Establishment of LED department				X	

POPRAD PROJECT IMPLEMENTATION PLAN

City of Poprad LED Projects										
No.	Project Title	Total Value	Funding Sources (%)				Implementing Partners	Project Starting Date	Duration	Targeted Group / Beneficiaries
			City Govt.	State European Union	Private Sector	Community				
1.	Master plan of Poprad	800,000	100%	0%	0%	0%	Local authority	July 2004	7 months	City government
2.	Study for social and Roma's housing	200,000	100%	0%	0%	0%	Local authority	August 2004	3 months	Roma ethnic group
3.	Revitalisation study of the centre of Matejovce	300,000	100%	0%	0%	0%	Local authority	August 2004	2 months	Matejovce village community
4.	Reconstruction of the centre of Velka II. Phase	4,260,000	100%	0%	0%	0%	Local authority	2004	12 months	Velka village community, businesses
5.	Construction project documentation for football stadium Poprad Straze	250,000	100%	0%	0%	0%	Local authority	September 2004	2 months	Football clubs, Youth
6.	Technical facilities for housing construction Poprad Matejovce	1,000,000	75%	25%	0%	0%	Local authority	July 2004	5 months	Matejovce village community
7.	Technical facilities for housing construction Poprad Straze	1,000,000	75%	25%	0%	0%	Local authority	July 2004	4 months	Local community
8.	Multifunctional sport hall: construction documentation, EIA	1,850,000	100%	0%	0%	0%	Local authority	August 2004	5 months	Community
9.	Connection of Srobarova and Tajovskeho street	2,200 000	100%	0%	0%	0%	Local authority	July 2004	4 months	Local community
10.	Completing of stairs to Immaculate Straze	370,000	100%	0%	0%	0%	Local authority	After 2004	2 months	Local community
11.	Bicycle path	16,600	20%	70%	10%	0%	Local authority	June 2004	6 months	Communities of Poprad, Svit, Spisska Teplica, visitors, tourists

STRATEGY FOR LOCAL ECONOMIC DEVELOPMENT OF CITY OF POPRAD (2002 - 2010)

12.	Adjustment of the local crossroads 'Hranicna, Slovenského odboja a Wolkerova' - preparation	70,000	100%	0%	0%	0%	Local authority	September 2004	1 month	Local community
13	Rebuilding of the crossroads in Sp. Sobota-Vagonárska street, school neighbourhood - preparation	150,000	100%	0%	0%	0%	Local authority	September 2004	1 month	Local community
14.	Rebuilding of the crossroads in Sp. Sobota - Vagonárska street	500,000	100%	0%	0%	0%	Local authority	September 2004	2 months	Local community
14.	Reconstruction of Moyzesova and F18 street crossroad – traffic lights	4,000,000	75%	0%	15%	0%	Local authority	May 2004	2 months	Local community
15.	Reconstruction of D. Tatarka st. pavement	2,100,000	100%	0%	0%	0%	Local authority	July 2004	2 months	Local community
16.	Days of the town Poprad	80,000	87%	0%	13%	0%	Local authority	Aug / Sep 2004	1 week	Citizens, visitors, twin cities
17.	Information "kiosks" project	500,000	100%	0%	0%	0%	Local authority	March 2004	3 months	Citizens, visitors
18.	International festival of Mountain movies	1,200,000	25%	0%	60%	15%	Foundation Mountain Movies, local authority	October 2004	2 weeks	Citizens, tourists
19.	Trip for active members of pensioner's club	300,000	100%	0%	0%	0%	Local authority, senior clubs	April 2004	1 week	Senior club members
20.	Pensioners' clubs	650,000	92%	0%	8%	0%	Local authority, senior clubs	2004	12 months	Pensioners
21.	Return sport to youth	400,000	85 %	5%	5%	5 %	Local authority sport clubs private sector community	January 2004	12 months	Youth, children, community tourists
Total Value:		22,196,600								

CITY OF POPRAD LED ACTION PLANS

Project: Establishment of Development Department with LED Responsibilities	Program Type(s): Local Government Improvement of Decision Making Processes
<p>Short Description of the Project Municipality of Poprad as a reformed oriented town has tried to implement many new instruments, techniques, and methods in decision-making processes. These facts helped the municipality to take a membership in Cities of Change project supported by the Bertelsmann foundation and The World Bank. Working team was learnt about the Strategic management technique and for its implementation within the municipality is evitable to change an organizational structure and create a new section or department that will be responsible for development activities of the town.</p> <p>Newly developed department will be responsible for collecting data, preparing basic documents for decision makers, organizing effort of strategy making processes, coordinating the processes within the municipality a.s.o. The economic effects would be many; the most important will be a fact that the municipality will understand his strengths, opportunities, weaknesses and threats; decision makers will have very well developed analysis, the town will have its Vision and Strategy based on economic facts and SWOT analysis connecting to the capital investment plan.</p> <p>Establishment of development department with LED responsibilities will open possibilities for special kind of activities focusing on Strategic Management and multiyear financial planning processes.</p>	
<p>Expected Results:</p> <ul style="list-style-type: none"> ▪ Implementation of Strategic management within municipality ▪ Coordination of processes within municipality ▪ Development of analysis (SWOT, CBA) ▪ Development of Vision and Strategy ▪ Improvement of decision makers processes ▪ Involvement of citizens into decision-making 	<p>Target Group(s): Municipality Decision makers Community</p>
<p>Possible Stakeholders :</p>	<p>Possible Contributions to the Project:</p>
Municipality	Project manager, financial support, technical assistance
Private businesses	Professional opinion, comments
Community	Promotion, voluntary work, technical assistance, comments
Public organizations	Experts, technical support, comments
<p>Prerequisites : Strong support from politicians and mayor Educated staff Technical support</p>	<p>Risk Factors: Not adequate data or lack of data Co-operation within departments Support</p>
<p>Estimated Costs : Full-time person (1-2): 150,000-300,000 Sk. Technical support (e.g. PC, printer, phone, room): 200,000 Sk.</p>	
<p>Time for Implementation : January 2004</p>	<p>Time to Impact: First evaluation: August 2004 Second evaluation: January 2005</p>

Project: Reconstruction of Velká Neighborhood		Program Type(s): Urban Development , Hard Infrastructure Project for Public Investment	
Short Description of the Project Municipality of Poprad consists of six suburbs, which centers had started to be revitalized in 1996. Priority was given to the center of Poprad as a main part of the suburbs, which was followed by the center of Spišská Sobota as a main historical part of Poprad, and the third chosen center for reconstruction was the center of Velká. Reconstruction of Velká neighborhood was started in 2002 and the II. phase of the project should be finished in 2004. Project is completely focused on the hard infrastructure (e.g. water supply pipes, sewage, telecommunication cables, electricity supply) as well as on architectural revitalization of neighborhood. The economic effects would be many; the most important is a fact of modernization of infrastructure, improvement of environment, support for SMEs, and support for tourist-oriented businesses. Reconstruction of Velká neighborhood will open possibilities and create preconditions for new investments in that part of the town that can improve unemployment rate in Poprad by creating new jobs. Revitalization of center will open possibilities for new tourist attractions as well as for cultural events.			
Expected Results: <ul style="list-style-type: none"> ▪ Improves the hard infrastructure ▪ Encourages the development of private business ▪ Creates preconditions for new investments ▪ Intensifies the development of services 		Target Group(s): Community Business community Society	
Possible Stakeholders : Municipality Private businesses Society		Possible Contributions to the Project: Project manager, financial support, technical assistance Developer, technical support Comments, ideas	
Prerequisites : Building permit issued Ownership clarified Completed financing from different sources		Risk Factors : Low budget in comparison to the value of the project	
Estimated Costs : II. Phase: 4,260,000 Sk.			
Time for Implementation : II. Period Commencement within 2004		Time to Impact: First evaluation: after 1 month of operation Second evaluation: after 6 months of operation Third evaluation: after one year	

Project: Return Sport to Youth		Program Type(s): Local Government Improved Services	
Short Description of the Project			
<p>Town of Poprad as a several times candidate town for Olympic games has got a big tradition in organizing sport activities within the town as well as in the High Tatras region. Poprad is represented by many sportsmen all over the world who have become European and some of them even World champions. Such success is achieved because of very good developed work with children and youth. Municipality of Poprad annually organizes a lot of events focusing on young people but the most popular are sports activities. Return Sport to youth project represents a calendar of sport events for the year 2004:</p> <ul style="list-style-type: none"> ▪ Reception of Slovakia, Europe, World champion(s) ▪ Reception of the best sportsman of the town Poprad ▪ School Olympic games for children and youth of Poprad ▪ Tatra skiing league ▪ Euro league of mountain bicycles ▪ Pupil league of Poprad ▪ Spiš league ▪ Challenge day ▪ Run of Olympic day ▪ Street ball tournament ▪ Days of sport ▪ Boyard ▪ Tournament of three cities <p>We can hardly find a financial profit from this project but on the other hand there is very big economical one. Looking at our youth as our future we need to enforce ourselves to create a friendly environment for them as well as for all society. Many young people have to cope with such kind of problems like drugs, crime, and alcohol because of lack interest from parents or society. There is a big challenge also for Poprad community to create some precondition for such kind of events for young people that attract them and invite them to organize their own free time together with others.</p>			
Expected Results:		Target Group(s):	
Improvement of sport activities		Children, youth	
Support for young people		Society	
Decline of crime		Twin cities	
Encouragement of partnership		Sport community from the region	
Friendly environment		Tourists	
Possible Stakeholders :		Possible Contributions to the Project:	
Municipalities		Project manager, financial support, technical assistance	
Private businesses		Co-financing, technical assistance	
Sport association		Promotion, voluntary work, technical assistance	
Public donors.		Financial support	
Prerequisites :		Risk Factors :	
Partnership		Public donors co-financing	
Leadership		Weather	
Partnership		Partnership	
Estimated Costs :			
400,000 Sk.			
Time for Implementation :		Time to Impact:	
2004: Mainly during the Summer season		Evaluation after each event	

Project: Adjustment of the Local Crossroads : Hranicna, Slovenského odboja a Wolkerova - Preparation	Program Type(s): Hard Infrastructure Public Investment
Short Description of the Project <p>Streets are situated in the town centre. The roads are currently in a very bad condition because of the old infrastructure and insufficient maintenance from 90s. These roads are asphalted but damaged. These roads connect the center of the town to other roads. Project would like to solve the problem of crossing these streets each other. Character of these streets has changed completely during the last days. There are many public buildings beside this road such as: elementary school, kindergarten, a number of businesses, social center etc. This affected also the density of transport, which has caused many traffic accidents for last time. Traffic inspectors prepared a plan for solving traffic problems and the main goal of the project is its implementation.</p> <p>Rehabilitation and asphaltting of these town roads will improve the road infrastructure of the town, creates preconditions for the opening of new businesses, existing businesses, and will help for continuing this road in other neighborhoods. Close to this road is the railway station and through a bridge it connects to the other side of the town. The project is fully justified considering the sensitive infrastructure of the municipality. Project will save time for citizens, environment and there will be also another economical effect because of petrol savings.</p>	
Expected Results: improvement of transport infrastructure less traffic accidents solving traffic problems creates preconditions for opening of new businesses creates preconditions for better connections with other parts of the town	Target Group(s): Citizens live in the area Society
Possible Stakeholders :	Possible Contributions to the Project:
Municipality	Project manager, financial support, technical assistance
Developers	Technical assistance
Society	Opinion, comments
Prerequisites : correspondence to Master Plan completed financing feasibility study	Risk Factors : financing
Estimated Costs : Total costs: 70,000 Sk.	
Time for Implementation : September 2004	Time to Impact : November 2004 January 2005

Project: Matejovce Housing Project: Zoning, Technical Planning, Hard Infrastructure		Program Type(s): Hard Infrastructure Public Investment, State Fund for Housing Development	
Short Description of the Project Demographic statistical data for the year 2003 affirms supposed negative trends of the number of citizens of the city of Poprad for the next years. The number of inhabitants of the city continuously declines and it reached 55 680 citizens of which were 28 881 (51,87 %) females in December 31st 2003. The number of citizens in the district of Poprad was lower in 2002 than in the previous year and this fact is the same for the year 2003. Dynamics of natural movement of population has declined rapidly from the year 1990 in Poprad. From the value 631 by 958 births and 327 deaths in the year 1990 till 126 (494 births and 368 deaths) in 2003. Migration balance has ran into negative numbers from the year 1996 to 2003 and the share of emigrants has been going up from the year 2000. Decrease caused by migration was represented by -105 people in 1996 but in 2003 it was even -426 people. The development of completed flats has been not favourable in the Poprad during the last years. The number of completed flats is really low in comparison to the year 1989. While in 1989 there was built 1209 flats in the district of Poprad in 2003 it was 295, in 2002 it was 205, in 2001 it was 228, in 2000 it was 270, in 1999 it was only 339 flats, in 1998 it was 137 flats and in 1997 it was only 119 flats. The number of individual building houses represents 74.6 % from the amount. The housing stock included 28 205 flats, with density 3.47 person per flat, in the district of Poprad in 1991. This situation is under the Slovak's average one because for instance in 1996 the average housing stock was 29 757 flats with 3.43 person per flat. During 1995-2000 there was built 966 flats in the district of Poprad, which was less than before the 1990 per one year. All those facts definitely effect housing conditions in Poprad and present some negative trends that have to be come with. Politicians as well as representatives of municipality have prepared Housing Policy Strategy for 2002 – 2004. Main goal of the Strategy is increase number of finishing flats and houses by promotion of construction. Municipality decided to use as much as possible of affordable resource from the State Found for Housing Development and EU funds. Objective of Matejovce housing project is to developed an urban study (zoning, technical planning) and create preconditions for single or semidetached houses building. Project will create about 10 – 15 plots for private houses in Matejovce Cadastre and improve land quality by building hard infrastructure. Strong financial effect will be achieved mainly by improving the land quality by building hard infrastructure.			
Expected Results: Zoning, technical planning Development of preconditions for housing construction and improvement of hard infrastructure		Target Group(s): Citizens Developers	
Possible Stakeholders : Municipality Developers Society Citizens		Possible Contributions to the Project: Project manager, financial support, technical assistance Co-financing, technical assistance Opinion, comments Purchasers	
Prerequisites : Correspondence to Master Plan Completed financing Environmental balance		Risk Factors: Very high costs for improving the land quality Not very high favourable location Lack of interest	
Estimated Costs : Total costs: 1,000,000 Sk. Municipality 75%: 750,000 Sk. SFHD 25%: 250,000 Sk.			
Time for Implementation : July 2004-December 2004		Time to Impact: September 2004 January 2005	

Project: Stráže Housing Project: Zoning Technical Planning, Hard Infrastructure		Program Type(s): Hard Infrastructure Public Investment, State Fund for Housing Development	
Short Description of the Project Demographic statistical data for the year 2003 confirms negative trends in the number of citizens of the city of Poprad for the next years. The number of inhabitants of the city continuously declines reached 55, 680 citizens of which were 28 881 (51,87 %) females in December 31st 2003. Dynamics of natural movement of population has declined rapidly from the year 1990 in Poprad. From the value 631 by 958 births and 327 deaths in the year 1990 till 126 (494 births and 368 deaths) in 2003. Migration balance has ran into negative numbers from the year 1996 to 2003 and the share of emigrants has been going up from the year 2000. Decrease caused by migration was represented by -105 people in 1996 but in 2003 it was even - 426 people. The development of completed flats has been not favorable in the Poprad during the last years. The number of completed flats is really low in comparison to the year 1989. While in 1989 there was built 1209 flats in the district of Poprad in 2003 it was 295, in 2002 it was 205, in 2001 it was 228, in 2000 it was 270, in 1999 it was only 339 flats, in 1998 it was 137 flats and in 1997 it was only 119 flats. The number of individual building houses represents 74.6 % from the amount. The housing stock included 28 205 flats, with density 3.47 person per flat, in the district of Poprad in 1991. This situation is under the Slovak's average one because for instance in 1996 the average housing stock was 29 757 flats with 3.43 person per flat. During 1995-2000 there was built 966 flats in the district of Poprad, which was less than before the 1990 per one year. All those facts definitely effect housing conditions in Poprad and present some negative trends that have to be come with. Politicians as well as representatives of municipality have prepared Housing Policy Strategy for 2002 – 2004. Main goal of the Strategy is increase number of finishing flats and houses by promotion of construction. Municipality decided to use as much as possible of affordable resource from the State Found for Housing Development and EU funds. Objective of Stráže housing project is to developed an urban study (zoning, technical planning) and create preconditions for single or semidetached houses building. Project will create about 10 – 15 plots for private houses in Stráže Cadastre and improve land quality by building hard infrastructure. Strong financial effect will be achieved mainly by improving the land quality by building hard infrastructure.			
Expected Results: Zoning, technical planning Development of preconditions for housing construction and improvement of hard infrastructure		Target Group(s): Citizens Developers	
Possible Stakeholders : Municipality Developers Society Citizens		Possible Contributions to the Project: Project manager, financial support, technical assistance Co-financing, technical assistance Opinion, comments Purchasers	
Prerequisites : Correspondence to Master Plan Completed financing Environmental balance		Risk Factors : Very high costs for improving the land quality Not very high favourable location Lack of interest	
Estimated Costs : Total costs: 1,000,000 Sk. Municipality 75%: 750,000 Sk. SFHD 25%: 250,000 Sk.			
Time for Implementation : July 2004-November 2004		Time to Impact: September 2004 January 2005	

Project: Multifunctional Sports Hall		Program Type(s): Infrastructure Public Finance	
Short Description of the Project <p>The official report "Development of the Town in Period 1999-2002" accepted that the main tasks for the period are divided into four areas: construction and environment, social area, support for the culture, sports and education, and regional co-operation and self-government development. Poprad as a previous candidate town for the Olympic Games has a well prepared Master Plan that focuses on sports facilities; however, construction of sports facilities within the town has not occurred. Decision makers together with private businesses proposed the development of a Congress Hall many years ago but were unable to secure the necessary resources. Newly elected members of the local parliament suggested the preparation of a technical document for a Multifunctional Sport Hall with possible use for congresses. The multifunctional and multi-use Sports Hall is a big project (approximately 2 million Sk) and will be cofinanced by EU funds. One of the basic conditions for the application is a building permit and therefore the municipality of Poprad must prepare supporting technical documentation to achieve this.</p> <p>The project will open the possibility to organizing and holding sport as well as cultural events in Poprad, and the Hall will also provide enough room for congresses to take place. Such a center will be unique within the Region of the High Tatras, and it is envisaged that the multifunctional sports hall will be used by public, as well as private and NGO, sectors. The Sports Hall will provide a number of rooms also for use by private companies, indirectly creating new jobs. Covering of marketing gap will be one of possible economical effect. Best practice shows that such complex spend enormous money for maintenance and therefore is evitable to construct the hall in a way that it creates a places for businesses and leisure activities for covering them. These activities will provide services either for citizens or for tourist.</p>			
Expected Results: Construction documentation, EIA Precondition for EU funds		Target Group(s): Sport clubs Sport community Citizens Businesses Tourists	
Possible Stakeholders : Municipalities Private businesses Sport clubs Public donors		Possible Contributions to the Project: Project manager, financial support, technical assistance Technical design Promotion, technical assistance Financial support	
Prerequisites : Correspondence to Master Plan Clarified ownership Completed financing from different sources		Risk Factors : Public donors co-financing	
Estimated Costs : Public finance: 1,850,000 Sk.			
Time for Implementation : August 2004-January 2005		Time to Impact: First evaluation after 1 month Second evaluation after 3 months Third evaluation after 5 months	

Project: Reconstruction of the Football Stadium in Poprad-Stráže	Program Type(s): Sport Facility Public Investment, Structural Funds
Short Description of the Project Poprad Stráže Football Club represents Poprad in football league. Main support of the municipality is oriented to the Poprad and Velká football courts although those clubs dropped out from the contest. Representatives from the Stráže Football Club asked decision makers for support their activities focusing on reconstruction of Football Station. Politicians suggested to prepare technical documentation and financial study for the project. Project itself supports football community in Stráže and improves sport and cultural activities in one urban part of Poprad. There is no direct financial effect by implementation of the project but on the other hand cost benefit analysis points many facts that can improve quality of life of citizens in Poprad. Implementation of project creates opportunity for youth and football players to use actively spare time and prevent them from crime and alcohol.	
Expected Results: Technical documentation, financial study Building permission	Target Group(s): Football clubs Youth Citizens
Possible Stakeholders :	Possible Contributions to the Project:
Municipality	Project manager, financial support, technical assistance
Football clubs	Co-financing, technical assistance
Donors	Co-financing
Citizens	Voluntary work
Prerequisites : Completed financing Clarified ownership	Risk Factors : Co-financing
<i>Estimated costs:</i> 250 000,- Sk	
Time for Implementation : September 2004	Time to Impact: November 2004

Project: Reconstruction of Velká Neighborhood		Program Type(s): Urban Development, Hard Infrastructure Project for Public Investment	
Short Description of the Project <p>The municipality of Poprad consists of six suburbs which had started to be revitalized in 1996. Priority was given to the center of Poprad as a main part of the suburbs; this was followed by the center of Spišská Sobota as a main historical part of Poprad, and the third chosen center for reconstruction was the center of Velká. The reconstruction of the Velká neighborhood was started in 2002 and the II. phase of the project should be finished in 2004. This project is focused on the hard infrastructure (e.g. water supply pipes, sewage, telecommunication cables, electricity supply) as well as on the architectural revitalization of neighborhood.</p> <p>The economic effects would be many; the most important being the modernization of infrastructure, improvement of environment, support for SMEs and support for tourist-oriented businesses. The reconstruction of the Velká neighborhood will open possibilities and create preconditions for new investments in that part of the town, serving to reduce the unemployment rate in Poprad by creating new jobs. Revitalization of center will create possibilities for new tourist attractions as well as for cultural events.</p>			
Expected Results: Improves the hard infrastructure Encourages the development of private business Creates preconditions for new investments Intensifies the development of services		Target Group(s): Community Business community Society	
Possible Stakeholders : Municipality Private businesses Society		Possible Contributions to the Project: Project manager, financial support, technical assistance Developer, technical support Comments, ideas	
Prerequisites : Building permit issued Ownership clarified Completed financing from different sources		Risk Factors: Low budget in comparison to the value of the project	
Estimated Costs : II. Phase: 4,260,000 Sk.			
Time for Implementation : II. Period Commencement: Within 2004		Time to Impact: First evaluation: after 1 month of operation Second evaluation: after 6 months of operation Third evaluation: after one year	

Project: Revitalization of Matejovce Neighborhood		Program Type(s): Hard Infrastructure Public Investment	
Short Description of the Project Even though the town of Poprad is the 10 th largest town in Slovakia, fewer blocks of flats have been developed in the last ten years than during 1988 alone. While the population has declined, there is a rise in the number of people per square meter in these flats. Elected members of the local council started to consider this reality and according the Master plan of Poprad, have chosen an area for single housing construction site. One possible site for such kinds of activities is Matejovce. The project is focused on the development of an urban study, a feasibility study and technical documentation. Very strong economic development effect can be achieved by improving the land quality (development of hard infrastructure) and creating some preconditions for single housing construction.			
Expected Results: Urban study, feasibility study, technical documentation Development of preconditions for housing construction and improvement of hard infrastructure		Target Group(s): Decision makers Citizens Developers	
Possible Stakeholders :		Possible Contributions to the Project:	
Municipality		Project manager, financial support, technical assistance	
Private businesses		Co-financing, technical assistance	
Society		Opinion, comments	
Citizens		purchasers	
Prerequisites : Correspondence to Master Plan Completed financing Environmental balance		Risk Factors : Non attractive area for purchasers Very high costs for improving the land quality Proximity of industrial zone	
Estimated Costs : 300,000 Sk.			
Time for Implementation : August 2004-October 2004		Time to Impact : First evaluation after presentation of urban and feasibility study Second evaluation after presentation of technical project	

Project: Social Housing for Roma's Community		Program Type(s): Hard Infrastructure Public Investment, Structural Funds	
Short Description of the Project Population of Poprad is about 50 000 citizens and the Roma's community is represented by less than 1% of population. Regardless of this municipality must cope with many problems connecting to the community especially near by the centers of urban parts of the town. Aim of the project is pointed to the community that is located in Matejovce. Roma's families have live exactly in the town centre for many years and they completely destroyed the building. Municipality of Poprad did not invest a lot of money to maintain the house and presently the town hall has got some warnings from public administration about the condition of building. Decision makers decided to revitalize the centre and to find appropriate location for new social housing. After a long discussion with stakeholders an area was chosen. Project is solving not just a housing problem but also employment of the community mainly by self-employment. Project is focused on development of urban study, feasibility study and technical documentation for building permission. Very strong economical effect can be achieved mainly by helping Roma's families to build houses in very good quality standard and at the same time to provide them with jobs. Municipality will provide 10 % of financial sources and 90 % will be applied from the Structural fund within the Operational program Basic infrastructure.			
Expected Results: Urban study, feasibility study, technical documentation Development of preconditions for housing construction and improvement of hard infrastructure		Target Group(s): Decision makers Roma's families Developers	
Possible Stakeholders : Municipality Private businesses Society Citizens		Possible Contributions to the Project: Project manager, financial support, technical assistance Co-financing, technical assistance Opinion, comments Comments	
Prerequisites : Correspondence to Master Plan Completed financing Environmental balance Estimated Costs : Total costs: 2,000,000 Sk. Municipality (10%): 200,000 Sk. Structural fund (80%): 1,600,000 Sk. State government (10%): 200,000 Sk.		Risk Factors : Very high costs for improving the land quality Roma's community	
Time for Implementation : Application: From August 2004 Realization: 2005		Time to Impact : First evaluation: After presentation of urban and feasibility study Second evaluation: After presentation of technical project	

Project: Street Reconstruction : Šrobárova and Tajovského		Program Type(s): Hard Infrastructure Public Investment	
Short Description of the Project Streets are situated in South-East part of the settlement JUH V.,VI. The roads are currently in a very bad condition because of the old infrastructure and insufficient maintenance from 90s. These roads are asphalted but damaged. Project would like to solve the problem of connection those streets because the previous road plan created some barriers for cars not to use them as transport road. Although those barriers protect children commuting to school from the nearby block of flats the density of car has risen enormously and the mainly Šrobárova street is heavily used. Traffic jam can be solved by streets' reconstruction. This project is fully justified not only in the economic aspect but also in other aspects of life. With the implementation of this project, 3.000 inhabitants of this area would gain directly, respectively indirectly would gain about 6.000 inhabitants of surrounding areas. Asphalted of this road creates possibilities for the spreading of the street in this key area. Project will save time for citizens, environment and there will be also economical effect because of petrol savings. Preparatory works (mark the line, demolish existing barriers, dig the ground etc.); Works of the lower base (cover with gravel, build the pier, build the tampon layer with compression from gravel, dig drainage canals, supply and set pipes etc.); Works of the upper base (cover with gravel, supply, transport, put and compress tar and gravel of 50cm thickness.).			
Expected Results: Improvement of traffic infrastructure Less traffic accidents Solving traffic problems		Target Group(s): Citizens live in the area	
Possible Stakeholders : Municipality Developers Society		Possible Contributions to the Project: Project manager, financial support, technical assistance Technical assistance, Opinion, comments	
Prerequisites : Correspondence to Master Plan Completed financing Building permit Project Motivation of the community to be involved in the project		Risk Factors: Financing	
Estimated Costs : Total costs: 2,200,000 Sk.			
Time for Implementation : July 2004-December 2004		Time to Impact: January 2005 After one year	