

СТРАТЕШКИ ПЛАН

за локален економски развој
на Општина Илinden

2012 - 2016



2012 - 2016

STRATEGIC PLAN

for the local economic development
of the Municipality of Ilinden

STRATEGIC PLAN OF THE MUNICIPALITY OF ILINDEN 2012-2016

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Municipality of Ilinden
www.ilinden.gov.mk
phone: +389 2 2571 703

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INTRODUCTION TO THE STRATEGIC PLANNING AS A PARTICIPATORY PROCESS WITHIN THE MUNICIPALITY

INTRODUCTION BY THE MAYOR – MR. STOJANOVSKI

Dear Sirs & Madams,

The local economic development is one of the main goals, the most significant functions and responsibilities of the Municipality, which primary goal is to lead in securing the development of the local commerce, and good quality of life for its inhabitants. The planned activities of the Strategic plan for local economic development are a roadmap with targeted goals and its realization will provide for creation of an economically strong municipality.

In the past few years, the technological development has boomed and has provided new possibilities for development, management, security and service. We expect the same trend for next year, and the municipality of Ilinden, being the most advanced, most active and most attractive municipality in Macedonia, will fully utilize its strong advantages that will provide a better quality of life for its citizens.

In essence, to maintain development is a process of changes where the use of resources, proper investments, proper technical and technological development and the institutional changes are in harmony and enhance present and future potential, all in order to satisfy human needs and aspirations. It is very important for me to emphasise that when we plan our everyday activities, we must also consider our future generations and gratitude towards our predecessors.

The realization of the Strategic plan for LER requires active relationship towards new changes from all levels of our society. The local government itself will participate in the new changes within its possibilities, potentials, rights and jurisdictions. Being closest to the citizens, the local government must be the fastest applicant of the new changes in areas of immediate interest of its citizens.

Establishing partnership and cooperation between the public, private and the civil sector is the only mechanism to provide legitimacy of the strategic and action plans in creation of better economic development, opening new jobs, establishing and maintaining dynamic entrepreneur culture and the creation of quality life.

We believe in the successful realization of the Strategic plan for local economic development of municipality of Ilinden for 2012-2016, with the sole purpose that Ilinden Municipality be urban, attractive and competitive municipality

in the region and beyond, with established conditions for sustainable economic and social development. Above all in the interest of generations to come, who will have a solid base to upgrade what we have started. The final goal, that one day to be a true privilege to live in the municipality of Ilinden.

Special thanks to the representatives of the OSCE Mission in Skopje, the Local economic development forum, Counsel of the Ilinden Municipality, as well as all other participants in the working group, who has assisted in preparation of this strategic document that is of enormous significance to the Municipality of Ilinden.

"Everything influences the economic development, from the rain to politics"
(Joseph Schumpeter)

Sincerely,
Mayor of Municipality of Ilinden
Zika Stojanovski

LOCAL ECONOMIC DEVELOPMENT

The local self - government of the Municipality of Ilinden is strongly determined to build a local economic development strategy based upon the principles of sustainability. On the other hand, it is the main catalyst of the economic development of the municipality, or more precisely, being the local government, it identifies the economic needs for the purposes of faster economic growth, attracting new and preserving the existing businesses, marketing, real estate use, disposal and management, local tax policy drafting regarding tax relieves for establishing and spreading a business, education and training, development of small and medium sized enterprises, maintenance of the municipal infrastructure, or generally speaking, local economic development covers all that the municipality can undertake in order to improve the economy and social welfare of its citizens.

There are multiple factors which can increase the future prospects for successful development projects and programmes for the municipality. However, the following ones are deemed crucial:

- Understanding the strengths and weaknesses of the local economy and its comparative values, i.e. the SWOT analysis;
- Defining a joint vision and mission with all the economic development stakeholders;
- Management structures should bring together people, knowledge and finances at all levels of the current administration, as well as various people from the public, private and social sectors, to enable the joint activities' implementation;
- Establishing the institutional framework (Economic Forum of the Municipality of Ilinden) which will provide sustainable communication among all actors. Local self – government can not alone improve the municipal welfare, but this rather requires cooperation among all stakeholders;
- Action plans adopted in relation to the local needs and considering the strengths and weaknesses of the municipality;
- Obtaining assistance and services from other institutions when the local self - government cannot meet the needs of the municipality.

DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

Experience has shown that the inception should always lie in the drafting of the strategy. The strategy is the starting phase of the planning process for any community and it can be complete only if it results from and covers a larger part of the community. The proposed timeline usually covers a five year period with the associated short term, midterm and long term results. The strategic planning process usually consists of five steps:

Steps	Strategic Planning Process
1.	Organizing the Task Force (Activities)
2.	Drafting a Resource Analysis
3.	Drafting the Strategy
4.	Implementation of the Strategy
5.	Revision of the Strategy

Step 1.

Organizing the Activities, Establishing Task Forces, Economic Forum and Partnership Networks

The local economic development depends on the success of the joint actions of the public (governmental), private (business) and the non-governmental sector (NGOs, trade unions, civil sector, and religion). The community, i.e. the municipality initiates the process of strategic planning by identifying the people, public institutions, economic activities and industrial branches, civic organizations, the private and professional organizations, expert bodies, training institutions and other groups that share the interest in the local economy.

Step 2.

Preparation of the Municipal Resources Analysis, i.e Competitive Assessment

Knowing the context of the local economy is of great importance when drafting the strategy. The competitive assessment will use the available qualitative

and quantitative knowledge in the field of economy, skills and other resources in order to facilitate the identification of the strategic development guidelines. This information will also direct the projects and programmes (the activities) in a direction that will contribute to increased competitiveness of the local areas. The SWOT analysis (strengths, weaknesses, opportunities and threats) is an instrument that can be used for analyzing data for the purpose of the competitive analysis.

Step 3.

Drafting the Strategy

The objective of this strategy is the same as the one of all comprehensive strategic plans - to provide a comprehensive approach for achieving sustainable local development. The local government experts and the main stakeholders should harmonize the economic development with the environmental protection needs and the social needs. Therefore the sustainable development strategy consists of the following components:

ELEMENTS OF THE STRATEGY	
Element :	Description :
Vision	Describes the stakeholders' consensus regarding the desired future of the community
Mission	Demonstrates the way in which the vision is to be achieved and the available means and resources
Strategic areas	They are the specific areas of action selected by the community in order to fulfil its vision; They are more specific than the vision statement; They should be based on the competitiveness assessment; They should be based upon the overall vision and specify the desired results of the planning process;
Objectives	The final objectives are even more specific; They introduce the implementation standards and the target activities for development; They are aimed at : <ul style="list-style-type: none"> • Making use of the strengths; • Overcoming the weaknesses; • Making use of the possibilities; • Working in line with the assumed and identified threats at the time of the implementation of the LED; They are time limited and measurable.

Specific Actions	<p>The specific programme components are implemented through them;</p> <p>Competent authorities must be appointed for their implementation;</p> <p>Budget and cost assessments should be made for their implementation;</p> <p>They are time limited and measurable, i.e. there is a timeline proposed for their implementation.</p>
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Step 4:**Strategy Implementation**

The implementation of the strategy is encouraged by the Action plans, i.e. the activities for the selected projects that the stakeholders have reached greater consensus for, which is basically the driver of the implementation process. The action plans determine the task hierarchy, the competent authorities, the realistic timeline, possible resources, expected impacts and results, implementation measures and the progress, monitoring and evaluation system. The increase in the capacities might be an important element for strengthening the individuals' abilities for development and achieving the results as a final objective.

The development of good techniques for monitoring and evaluation of the overall strategy is important for the measuring of the results, justification of the costs, determining and introducing the necessary adjustments in the complete system, as well as harmonization and development of good practices.

Step 5:**Revision of the Strategy**

The Local Economic Development Strategy needs to be reviewed at least once per two years. The revision should include review of the use of resources, the timeline, monitoring the local economy evaluation indicators and the resources available for fulfilling the strategic commitments. This procedure should not only involve the results but the implementation process too, as well as the participation level, the dynamics of the fluctuations in the local conditions and the dynamics of changes in the economic (and political) relations at the local level, within the region or the national and international markets.

STRATEGIC PLANNING PROCESS IN THE MUNICIPALITY OF ILINDEN

STEP 1.**Organizing the Activities, Establishing Task Forces, Economic Forum and Partnership Networks**

The Municipality of Ilinden followed the recommendations and guidelines of the proposed methodologies regarding the organization of the process and, in order to increase the transparency of its work and include the citizens in the planning and decision-making process, it established the Economic Forum. The Economic Forum consists of representatives of the business sector (the production, food and the service sector – education, trade, catering, transport etc.), then representatives of the public sector (the municipality, communal enterprises, education institutions, sport, health) and representatives of the NGO sector, the neighbourhood self – government units etc. The members of this body performed manifold function in the process, such as preparing the municipal resources analysis, identifying the problems within the sectors/organizations they come from, proposing potential measures for overcoming the identified problems and prioritizing these strategic goals in terms of the given criteria (importance, feasibility, consequences of inaction, relation to other objectives).

The overall organization and preparation of the process was done by the strategic planning team within the LED department of the Municipality of Ilinden.

STEP 2.**Preparation of the Municipal Resources Analysis, i.e. the Competitive Assessment**

The municipal resources analysis has been summarized in the SWOT analysis. The analysis was made by using the SWOT framework and we focused our activities in the strategic areas where the greatest strengths and potentials of the municipality lay. The following table presents the ideas of the forum members, grouped into strategic areas:

Strategic areas

Infrastructure - transport, utilities, energy	Human capital –training, lifelong learning, health, social protection
Environmental protection	Agriculture and rural development
Use of IPA resources	Tourism – use of natural, cultural and historic resources
Economy – SMEs, industry, innovations	Urbanism and spatial planning
Quality of life	

MUNICIPALITY OF ILINDEN - SWOT ANALYSIS

The SWOT analysis for the Municipality of Ilinden showed that the Economic Forum invested a lot of time and put in great effort to acquire more than 180 opinions on the strengths, weaknesses, opportunities and threats to the local economy and in general to the quality of life in the municipality. The following table contains a summary of the input from the detailed SWOT analysis.

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Geo-strategic location • Developed road infrastructure (transport corridors, airport, railway) • In the vicinity of the university centres • Openness to new ideas and technologies • Good urban planning solutions • Good business environment • Professional and qualified staff • Experienced and trained administration • Positive population growth rate 	<ul style="list-style-type: none"> • Attractive locations for the industrial and housing areas • Near the primary gasification network • Use of EU funds and state subsidies for development of SMEs and agriculture; • Improvement of social protection, child protection and recreational capacities • Possibilities for renewable energy resources, energy efficiency and environmental protection • Technological development • E-municipality (e-approvals, e-auctions, e-communication, e-archives etc.) • ICT in education, science and culture • Transfer of new decentralized competencies for the development of the municipality • Drafting and implementing the local economic development

WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Lack of atmospheric and faecal sewerage • Poor electricity network in certain inhabited areas • Lack of facilities for complete health care and social protection of the inhabitants • Pollution by OKTA • Weak NGO sector • Lack of fire fighting protection • Limited knowledge of the information technology • Insufficient use of agricultural land 	<ul style="list-style-type: none"> • Incomplete decentralization process • Lack of financial resources for innovation • Lack of financial resources for capital investment • Extended global economic crisis • Inconsistencies in the legal regulations

STEP 3.

Drafting the Strategy

The following element of the Strategy refers to the vision and mission, and the Economic Forum of the Municipality of Ilinden proposed the following vision and mission statements:

MOTTO:

***ILINDEN - Your future investment
and housing destination!***

The Economic Forum proposed the following vision:

VISION



The Municipality of Ilinden in 2016 is a visible, recognized, economically strong, urban municipality with modern living economic condition, where education, knowledge and ICT are an imperative for the growing standard of the human capital

MISSION

The Municipality of Ilinden is a public service for the citizens, which fulfils European business climate standards and encourages the social and economic development of the municipality by modernization of the infrastructure and promotion of environmentally friendly and green technologies.

The value of friendly relations with business partners and co-workers, as well as working with citizens will continue to be in the spirit of good partnerships, institutional and business networks, in order to ensure good quality of the services provided by the municipality.

Strengthening the local democracy, citizen participation and development of human capital and sustainable income of the citizens in the municipality are the highest priorities of the work done by the municipality.

Therefore great efforts are invested to increase the transparency, accountability, financial stability and effectiveness in performing the municipal services.

STRATEGIC AREAS RESULTING FROM THE SWOT ANALYSIS

The analyses carried out by the Economic Forum of the Municipality of Ilinden point to the following strategic areas as the main pillars of the local economy in the Municipality of Ilinden:

1. Infrastructure and Urbanism

- **Improved transport, communal, energy and gas infrastructure**
- **Continuous systematic spatial planning and urbanization**

2. Economy

- **SMEs, industry, innovation**
- **Possibilities for municipal financing**
- **Agriculture and rural development**
- **Tourism development possibilities**

3. Human Capital

- **Education, training, lifelong learning**
- **Healthcare and social protection**
- **Improved quality of life (sport, recreation, parks and green areas)**

4. Environmental Protection

- **Pollution reduction**
- **Application of energy efficiency measures**
- **IPA opportunities**

AREA 1. INFRASTRUCTURE AND URBANISM

- **Improved transport, communal, energy and gas infrastructure**
- **Continuous systematic spatial planning and urbanization**

The municipality of Ilinden is strongly determined to grow into an urban municipality with all necessary features regarding the infrastructure, urbanism,

citizens' quality of life, and types of public and business services available within the municipality. This commitment is equally an imperative and a challenge that the local government should answer to in the best possible manner within the following five-year period.

The necessity for improving the living conditions in the Municipality of Ilinden is accompanied by the need for greater attention to the construction of multiple facilities for meeting the everyday, special and occasional needs of its citizens. Nowadays the local government is more committed to greater urbanization of all parts of the territory of the municipality in order to improve the quality of life and encourage economic development.

The construction of the atmospheric and faecal sewerage in all parts of the municipality is imperative to the local development, especially for the inhabited areas that are not fully covered with a complete sewerage network. The reconstruction and extension of the existing water supply network directly influences the quality of life and the needs of the economy. The municipality will monitor the fully used network and will intervene whenever needed.

The development of the road infrastructure is focused on providing the conditions for transport and export activities of the economic sector and for faster movement for the inhabitants when going in or out of the municipality to meet their daily needs. The urbanization of the territory needs to be focused on further construction and reorganization of the road network in the inhabited areas, construction of service streets, as well as asphalt pavement on the road network wherever needed.

On the other hand, the intense economic growth, the extensive agriculture in the past, the construction as well as the unused areas direct the Municipality towards focusing on new investments in the spatial rearrangement of the areas around the new constructions (service roads, playgrounds, green areas etc.) or rearrangement of the areas that do not offer good living conditions or are inadequately urbanized (reconstruction of buildings and refurbishment of ruined spaces).

Special emphasis is placed on the modernization of the urban planning through introducing modern GIS systems, underground cadastres, electronic issuance of construction permits etc. The fast pace of urbanization and physical planning in Ilinden Municipality is one of the main drivers of the economic growth and therefore the municipal management is aware and responsibly committed to maintaining and even enhancing this development pace and dynamics in the future.

Annex 1 provides detailed Action programmes and projects for each of the proposed strategic goals, with a proposed implementation timeframe, indicators and data verification sources, risk assessment as well as possible sponsors.

THE PROPOSED STRATEGIC GOALS IN INFRASTRUCTURE AND URBANISM ARE :

- 1.1. Improvement of the water supply and communal services network and construction of waste water treatment plants
- 1.2. Improvement of the road infrastructure on the municipal territory
- 1.3. Modernization of the electro-energetic network on the municipal territory
- 1.4. Urban and special planning in function of the local economic development
- 1.5. Improvement of the conditions and the living quality standards through establishment of recreational zones

AREA 2: ECONOMY

- **SMEs, industry, innovation and technologic development**
- **Possibilities for municipal financing**
- **Agriculture and rural development**
- **Tourism and development possibilities**

The increased level of the economic development can be achieved through encouraging and development of the SMEs which are the carriers of the economy of the Republic of Macedonia (98%), encouraging further development of the main industries in the municipality (the most significant sectors being agriculture, food industry, catering, trade, transport, business services etc.), and attracting domestic and foreign investments by preparing and creating the adequate infrastructure conditions within the municipality (industrial zones, defined economic zones within the municipality etc.) and through investing into the human resources that will obtain the needed knowledge and skills adjusted to the market needs and the development of the economy in the region in order to make full use of the capacity, competitive access to the market and profitable work. Increasing of the level of economic development can be achieved through promoting the development of the main industries. The innovation and the competitiveness of the economy are of special importance as they are the main precondition for the business entities to increase the level of the economic growth in the municipality.

The new investments are always a challenge for the entrepreneurs but also for the institutions of the system that are in charge of the economic development. In order to encourage and attract new investments, the institutions in charge of the economic development will focus on the implementation of the following programmes: supporting the technological development and innovation research through use of

the existing facilities and the state and the municipal land; promoting the municipality as an investment destination; strengthening the coordination between the relevant institutions at the national, regional and local level deemed significant for increasing the investments and use of the EU funds for cross-border cooperation and promoting public-private partnerships so as to encourage investments.

The analysis of the education level of the unemployed shows that the greatest part of the unemployed are people with no education and the unemployment rate falls as the education level grows. Although the education structure of the population in this region is relatively favourable, compared to other areas in the country, there is still an undoubtable need for undertaking measures for further decreasing the number of people with lower education and increasing the quality of the labour force. In the Municipality of Ilinden, just like in the other municipalities, the economic activity is proportional to the level of education of the population and it is lowest among people with no education or low level of education, and highest among the population holding university degrees.

This specific goal is a mixture of the available human resources and the needs of the economy within the municipality. It is also to be implemented through the realization of the following programmes: introducing a local labour market that will publish both the labour supply & demand, as well as promoting practice work and volunteering as pre-employment phases; committing and lobbying for the improvement and adjustment of the process of education to the needs of the economy, although it is a matter to be dealt at the national level; performing an analysis of the labour market needs and introducing a system of lifelong learning.

The Municipality of Ilinden is one of the first municipalities in Macedonia that obtained their credit rating provided by the international agency *Moody's*. With the financial stability of the municipality, specific measures are taken in terms of financing the municipal capital projects. Surely funds are primarily obtained from the municipality's own resources such as the property taxes, fees and block-donations from the central government and the income generated from the construction land. However, the ambitious long-term plans of the municipality require additional and alternative sources of financing, such as loans, issuance of municipal bonds, public-private partnerships, EU pre-accession funds and other donations and sponsorship.

Considering the exceptional importance of this whole sub-area, the municipal management gives great priority to the possibilities for municipal financing.

The attractive natural, cultural and historic heritage in the municipality is a solid basis for development of successful tourism. This will be achieved through cultural heritage conservation and promotion, as part of the implementation of the following programmes: development of rural, archaeological and monastery tourism, development of transit tourism, development of sports and culture tourism.

The development of successful transit tourism rests upon attracting visitors to make a stop, stay and take the tourist offer. This strategic goal will be implemented in practice through the following programmes and projects: campaign for raising

awareness about the natural beauties and rarities; organizing traditional events (exhibitions, folklore, authentic cuisine, customs); infrastructural adjustments to improve the conditions for tourism by adapting and equipping the tourist accommodation facilities in compliance with the defined standards and improvement and signposting of the existing tourist infrastructure.

The programmes will be directed towards providing additional tourist offers include promotion of the natural and cultural heritage, the traditional folklore and customs as well as the offer of souvenirs and similar items specific for this municipality.

The favourable climate which is suitable for any type of agricultural production, as well as the central position in the region which in terms of the economy is the most developed one in Macedonia; both provide conditions for agriculture and rural development.

On the other hand, the high level of urbanization of the region and the great fragmentation of the agricultural land plots do not contribute to the development of intense agricultural production. The cereals and the viniculture are the predominant ones whereas the industrial crops are hardly present and there are no great prospects for their expansion. The potential for the development of early spring gardening and cattle breeding is not sufficiently developed.

The planned production, promotion of standardized and competitive products with a recognizable quality which is continuous and with the required quality, protected domestic products, living conditions in the rural areas and promotion of reverse migration i.e. from cities and towns to villages are part of the priorities for promotion of sustainable agriculture and rural development.

ECONOMY-RELATED STRATEGIC MEASURES PROPOSED:

- 2.1. Attracting new domestic and foreign investments and providing support to the existing ones
- 2.2. Extending the possibilities for municipal financing
- 2.3. Decreasing the unemployment rate by local measures for labour market and practice work
- 2.4. Gasification in function of the local economy
- 2.5. Tourism development possibilities
- 2.6. Support to agriculture

AREA 3: HUMAN CAPITAL AND QUALITY OF LIFE

- **Schooling, training, lifelong learning**
- **Healthcare and social protection**
- **Improved quality of life (sport, recreation, parks and green areas)**

Human capital, which encompasses knowledge, skills and hence power to create new values, has a predominant role in the development of any municipality and region. The Municipality of Ilinden, as one of the more developed municipalities, necessitates an additional and accelerated development and deployment of potentials pertaining to the human factor, which represents a pillar for both development and other strategic trends.

The demand for specific elements on the labour market is directly conditioned by the development and dynamics of changes occurring in the business world and changes in the socio-economic sphere. In brief, it is conditioned by the market demands of goods that the business entities aspire to adapt to in order to meet the requirements in question. The educational system is not characterized by flexibility thus leading to disparity between the supply and demand of specific professions, i.e. deficiency of certain profiles and surplus of other professions.

Hence, the reading and interpretation of signals deriving from the business entities and the anticipated trends for the upcoming period are tasks of high priority. This may only be accomplished by realization of cooperation programmes between the formal education system and the business sector, by effectuation of career orientation centres and establishment of public-private partnerships in support of employing young highly educated individuals.

Additionally, provided that systems were established as a unity of educational systems and demands imposed by economy, they would be a wonderful opportunity for the young individuals to have their first contacts with the business world and gain a first-hand personal insight into business entities' know-how and skills, something that they will experience in their lives in the future.

The priority list of strategic development trends of the Municipality of Ilinden comprises of development and deployment of human potential, as well as health and social protection which also hold a high position. In this context, the Municipality in particular aspires to improve and foster the existing health protection conditions, pre-school service conditions, establishment of secondary vocational schools thus providing all living conditions common for any urban municipality.

In view of social protection, particular focus is paid to its promotion by improving the protection and care for persons with special needs (persons with functional or mental disorders, elderly persons, pre-school children, etc.) or by restructuring the social protection and children's protection in conformity with the demographic changes occurring in societies.

PROPOSED STRATEGIC OBJECTIVES CONCERNING HUMAN CAPITAL AND QUALITY OF LIFE:

- 3.1 Measures aimed at mitigation of unemployment
- 3.2 Improvement of health care, social care and pre-school care of the population
- 3.3 Modernization and improvement of the pedagogic and educational process within the municipality
- 3.4 Modernization and development of ICT
- 3.5 Development and promotion of cultural centers and opening of a municipal library

AREA 4: ENVIRONMENTAL PROTECTION

- **Pollution reduction**
- **Application of energy efficiency measures**
- **IPA opportunities**

The common natural resources are our heritage bequeathed by our ancestors and our responsibility towards the future generations. Community's concerns about common resources, such as water, air and soil, point to a society with higher values regarding its own future and the one of the future generations. Nowadays, when the entire world tends to unconditional promotion and raising the ecological awareness, as well as to concrete actions aiming at protection, reclamation and forestation, we are to be guided by a noble aim and become concerned with the planet Earth and its resources.

Consequently, the draft measures for improved quality and more efficient planning of the environmental protection are to be mainstreamed in this respect. Those resources which are common, such as air, water and soil, presuppose common care for their usage, protection and reclamation.

Additionally, control over the water purification systems, as well as over the air polluters and a wider coverage of the region by such measures, would be preventive in terms of any further pollution of the aforementioned resources. Soil, as one of the primary resources for nutrition and production of various vegetables and other industrial crops, is the third crucial resource for which the social policies are of exceptional significance. Forests, also known as the Earth's lungs, are another draft measure that is to be implemented on a regular basis.

In this context, within the upcoming five years, the Municipality will focus on drafting the necessary documentation and studies for primary selection and recycling of municipal waste, procurement of primary selection equipment, preparing a project and

constructing a compost facility for biological waste treatment, as well as reclamation and revitalization of degraded areas. The Municipality shall work on raising the environmental awareness of citizens by education, eco-patrols, eco-events, etc.

As for the use of alternative and renewable sources of energy, the Municipality shall adopt an Energy Efficiency Programme, shall set up a database of consumed energy products by public facilities and street lighting; in addition, it shall be involved in the realization of energy efficiency projects concerning the public facilities. In particular, the pollution generated by OKTA is a problem that the Municipality shall attempt to resolve by a number of measures, such as upgrading of measuring stations with analyzers for air quality monitoring and their automatic connection onto a display and a sound signal, introducing a local compensation for facilities that produce oil and oil derivatives, climate retrieval and regular free of charge medical examinations in order to monitor the health of the residents in the immediate vicinity.

PROPOSED STRATEGIC OBJECTIVES CONCERNING THE PROTECTION OF THE ENVIRONMENT:

- 4.1 Integrated and sustainable management and treatment of municipal waste
- 4.2 Raising environmental awareness
- 4.3 Usage of alternative (renewable) sources of energy
- 4.4 Resolution of the problem with the polluter OKTA
- 4.5 Functioning of the canal system for collection of atmospheric and underground waters

STEP 4 : STRATEGY IMPLEMENTATION

IMPLEMENTATION ACTION PLAN

Main Principles for Implementation of the Strategic Plan for LED of the Municipality of Ilinden

The strategic plan is a dynamic document that needs to be reviewed and adjusted (amended and updated when needed) in order to include prospective newly identified programmes and projects that are in compliance with the strategic goals of the development plan.

The action plan is a set of project tasks that should direct the municipality towards the desired direction i.e. its vision. Therefore working groups have been established for all strategic areas and a coordinator was appointed for each of the groups. All groups drafted a detailed plan of project tasks which will contribute to the achievement of the desired goal.

The implementation of the local economic development strategic plan will be in the competences of the LED municipal team and the Economic Forum will provide advice as it is the body that brings together all stakeholders from the public, private and civil sector within the municipality. Due to its size, the Economic Forum will continue to play the role of an advisory and supervisory body for the purpose of increasing the efficiency and flexibility of the implementation of this strategic plan. The LED department within the municipal administration will be in charge of the operational management.

Staff from the LED department needs to have a thorough knowledge of project cycle management and to be experienced in project identification, planning and implementation. Special project teams are established for each of the strategic goals in order to directly implement the projects and their task is to identify and mobilize partners for the implementation of each project.

Therefore strengthening the institutional capacities of the LED department is of crucial importance to the success of the foreseen programmes.

Annex 1 of this document contains the specific action plan for all four strategic pillars and the specific goals, programmes, timeline, indicators, data sources and risk assessment that will be timely managed so that the continuous implementation would not be interrupted.

SYSTEM FOR MONITORING AND EVALUATION OF THE STRATEGIC PLAN

Main Principles for Monitoring and Evaluation of the Implementation of the Strategic Plan for LED of the Municipality of Ilinden

For every implementation year of the strategic plan the LED department should submit a report to the Municipal Council and the Mayor, presenting the results of the work carried out in the previous period as well as the projects and programmes planned for the forthcoming period. Apart for the information on the implemented and planned activities, the report should also contain sufficient information on the current activities, analysis and data on the indicators of the ongoing programmes and goals, but also information on the previous years (the so-called strategy revision). This will enable the municipal bodies (the municipal council and the Mayor) to provide guidelines and instructions for the plan in the forthcoming year.

Throughout the implementation year the Head of the LED department holds regular quarterly meetings with the municipal LED team and informs the team

members on the current implementation of the strategic plan, the achieved results and indicators for all projects and programmes implemented in the current year. This process enables a continuous monitoring and control of the strategic plan throughout the planned five year period, but at the same time it serves as a possible assessment of the planned and implemented measures for encouraging and supporting the economic development of the municipality.

STEP 5 : REVISION OF THE STRATEGY

RECOMMENDATIONS FOR REVISION OF THE STRATEGY

There is a great likelihood that throughout the implementation of the LED strategic plan of the Municipality of Ilinden there will be fluctuations regarding the input size or some of the risks planned will be manifested with a different intensity (greater or smaller) than the one considered during the strategic planning. This will lead to identifying additional projects and programmes that are in compliance with strategic goals of the plan i.e. the policies for reaching the final objective – the vision, and which are aligned with the current situation within the municipality. The municipal LED team is the body that will establish the need for amendments to the programme or project list and therefore it will be the one introducing the novelties to the strategic plan, which means that it will be in charge of its revision.

ANNEX 1: ACTION PLAN FOR THE PERIOD 2012-2016

AREA 1: INFRASTRUCTURE AND URBANISM

1.1. Improvement of Water Supply and Sewerage Network and Construction of Treatment Plants

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
1.1. Improvement of water supply and sewerage network and construction of treatment plants	Improvement of the water supply network						Length of constructed system - metres Length of improved system - metres	Municipality of Ilinden PU Vodovod
	Construction of waste water collection and treatment system on the territory of the municipality						Length of constructed system - metres Number of additional users	
	Construction of atmospheric sewerage system						Length of constructed system - metres Surface covered (m2)	
	Construction of treatment plants						Number of species	
	Risks							
	- Finances - Property rights							

1.2. Improvement of the Road Infrastructure on the Territory of the Municipality

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
1.2. Road Infrastructure	Widening and maintenance of local streets and roads						Length - metres Number of streets	Municipality of Ilinden
	Construction and reparation of overpasses and bridges						Length - metres Number of bridges/ overpasses	
	Construction of pavements						Length - metres Number of streets	
	Risks							
- Finances - Technical documentation and property rights								

1.3. Modernization of Electricity Network on the Territory of the Municipality

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
1.3. Modernization of electricity network	Modernization of the electricity network and the power supply on the complete territory of the Municipality of Ilinden						Average network voltage Number of connections	Municipality of Ilinden EVN
	Risks							
- Technical documentation – analysis of the existing infrastructure								

1.4. Urban and Spatial Planning for the Purposes of the Local Economic Development

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
1.4. Increasing the efficiency and efficacy for issuing construction permits	Adoption of urban plans and complete urbanization of the municipality						Number of urban plans Hectares of area covered in the urban plans	Municipality of Ilinden State institutions Surveys and polls Domestic, European and global business and other type of associations	
	Introducing integrated municipal geographic information system (GIS)						Area covered by the GIS database (ha)		
	Electronic application and approval for construction permits						Number of electronic approvals Approval time (deadline)		
	Modernization of the ICT equipment and software						Number of new and upgraded ICT		
	Organizing the necessary training for the administration						Number of organized trainings		
	Legalization of illegal constructions						Number of legalized constructions		
	Risks								
	- Lack of financial resources - Financial stability; global or regional economic crisis - Uncoordinated legal framework - Lack of IT equipment and training - Lack of highly-qualified staff								

1.5. Improving the Standard of Living and Quality of Life by Creating and Arranging Recreation Areas

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
1.5. Improving the standard of living and quality of life by creating and arranging recreation areas	Creating and arranging playgrounds for children, squares and parks						Number of playgrounds Number of parks Number of squares	Municipal services Ministry of Labour and Social Policy Sports services and organizations
	Risks							
	<ul style="list-style-type: none"> Finances Technical documentation – analysis of the existing infrastructure Public-private partnership 							

AREA 2: ECONOMY

2.1. Attracting New Domestic and Foreign Investments and Supporting the Existing Ones

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.1. Attracting new domestic and foreign investments	Media campaign / promotion materials						Number of promotions	<ul style="list-style-type: none"> Investment Agency of the Republic of Macedonia Municipalities and LED offices Chambers of commerce Ministry of Economy State institutions Internet portal
	Organizing investment forums						Number of individuals/ institutions that participated in the forums	
	Internet promotion						Number of visitors to the portal Number of advertisers on the portal	
	Favourable local tax policy						Number of local policies	
	Strengthening the banking and financial services (banks and post offices)						Number of newly-opened banks/ branch offices	
	Risks							
	<ul style="list-style-type: none"> Lack of financial resources Unfavourable economic environment Lack of coordination or lack of cooperation between the central and the local government Lack of coordination or lack of cooperation among the local authorities 							

2.2. Expanding the Possibilities for Municipal Financing

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.2. Expanding the possibilities for municipal financing	Increasing the income the municipality generates from its own resources						Number of tax payers Amount of the tax basis % of income collection Income generated in the municipal budget on this basis	Municipality of Ilinden State institutions Regional connection with the Skopje region Surveys and polls Domestic, European and global business and other type of associations
	Financing the municipality through loans and municipal bonds						Amount of resources obtained, Number of projects financed by loans	
	Increasing the municipal income coming from the central government						% of resources from block donations, Number of newly obtained block donations	
	Financing of municipal projects through public-private partnership and concession						Number of PPP contracts, Increased citizen satisfaction with the PPP projects	
	Financing the municipality from other financial resources: donations, grants, the polluter pays principle etc.						Amount of resources obtained for the municipal projects Number of projects	
	IPA funds for financing municipal projects						Amount of resources obtained for the municipal projects Number of projects	
	Risks							
	<ul style="list-style-type: none"> Lack of financial resources Lack of exchange of experience in developing models of public private partnership Global or regional economic crisis 							

2.3. Mitigation of Unemployment through Local Measures for Labour Market and Practice Work

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.3. Mitigation of unemployment through local measures for labour market and practice work	Establishing Local Labour Market – Analysing the Labour Market – needs assessment (number of people-professionals in a certain area and education level)						Complete labour market analysis Number of labour market users	<ul style="list-style-type: none"> • Municipalities • Employment agencies • Ministry of Education and Science • Ministry of Economy
	Supporting practice work and volunteering						Number of practice workers in the economy	
	Risks							
	<ul style="list-style-type: none"> - Lack of financial and professional capacities in the LED department for implementing such type of activities - Lack of willingness and motivation among the private sector to cooperate with the LED department - Lack of programmes and projects from the central/local government to support and develop new and existing businesses - Complicated and lengthy procedures for amendment of the teaching curricula and education profiles - Insufficiently precise statistic and other type of data on the labour market movement 							

2.4. Gasification

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.4. Gasification	Introduction of gasification in the economic facilities and the households						Introduced gasification system Number of connections to the system	The municipality Public enterprise for gasification Statistics
	Risks							
<ul style="list-style-type: none"> • Lack of interest for PPP • Complicated and lengthy connection procedures • Lack of financial resources • Economic crisis 								

2.5. Tourism Development Possibilities

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.5. Tourism Development Possibilities	Arranging picnic areas and recreation centres						Completed infrastructure	<ul style="list-style-type: none"> • Development centre for the Skopje region • Regional tourist centre • Municipalities • LED offices • Web page • Ministry of Culture
	Revitalization and use of the Bucinci lake						Completed revitalization Number of visitors	
	Sports tourism (carting, hunting, fishing, paragliding) and sports clubs for promotion of the municipality						Number of tourist offers Number of tourists	
	Cultural centre –mini museum -old folklore wear -archaeological items - tourist info points "Open House"						Number of museums Number of exhibits Number of visitors	
	Risks							
<ul style="list-style-type: none"> • Insufficiently explored archaeological sites • Lack of financial resources • Lack of coordination and cooperation among the municipal institutions from the Skopje region • Unfavourable economic environment 								

2.6. Providing Support to Agriculture

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
2.6. Providing Support to Agriculture	Drafted and submitted initiatives for decentralization of the management and proper use of the state-owned agricultural land						Number of initiatives submitted to the competent authorities Lobbying for the initiatives	The municipality Ministry of Agriculture ZELS IPARD
	Disseminating knowledge on IPARD projects						Number of staff members Number of submitted/obtained projects	
	Establishing a green market						Established green market	
	Risks							
<ul style="list-style-type: none"> - Lack of political will - Lack of coordination and cooperation of the competent authorities - Unfavourable economic environment 								

AREA 3: HUMAN CAPITAL AND QUALITY OF LIFE

3.1. Measures for Mitigation of Unemployment

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
3.1. Measures for mitigation of unemployment	Strengthening the ICT skills of the youth and the unemployed						Increased number of ICT users	<ul style="list-style-type: none"> Municipal services Employment Agency of the Republic of Macedonia Statistics Ministry of Education and Science 	
	Establishing a vocational secondary school in compliance with the needs of the economy within the municipality						Vocational secondary school established Number of students		
	Risks								
	<ul style="list-style-type: none"> Finances Technical documentation – analysis of the existing infrastructure 								

3.2. Improved Health Care, Social Care and Pre-school Care for the Inhabitants

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
3.2. Improved health care, social care and pre-school care for the inhabitants	Creating conditions for construction of a polyclinic						Necessary urbanism conditions created	<ul style="list-style-type: none"> Ministry of Labour and Social Policy Municipal administration Ministry of health NGOs 	
	Increasing the capacity of the kindergarten						Increased number of enrolled children in the kindergarten		
	Establishing a municipal department for social and child protection						The department is established and functional		
	Support to citizens' activities and initiatives						Number of people in the NGOs Number of active NGOs		
	Construction of an elderly home						The facilities built		
	Creating urbanism conditions for construction of social blocks of flats for newly-wed couples						Number of flats built		
	Risks								
	<ul style="list-style-type: none"> Finances and technical documentation Support by the ministries 								

3.3. Modernization and Improvement of the Pedagogic and Educational Process within the Municipality

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
3.3. Modernization and improvement of the pedagogic and educational process within the Municipality	Refurbishment and reconstruction of schools and providing conditions for cabinet system of teaching						Number of refurbished schools Number of cabinets equipped		
	Providing conditions for working in one shift						Number of schools		
	Permanent and continuous professional development of the teaching and assisting school staff						Number of trainings Number of participants		
	Providing transport for pupils to the schools and free of charge excursions						Number of participants		
	Carrying out free training through KEC ILINDEN						Number of courses Number of participants		
	Risks								
	<ul style="list-style-type: none"> Finances Support by the ministries 								

3.4. Modernization and Development of ICT

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
3.4. Modernization and development of ICT	Drafting and adoption of a municipal ICT Strategy						Adopted ICT Strategy	<ul style="list-style-type: none"> Municipality of Ilinden Ministry of Information Society 	
	Organizing permanent ICT training for the municipal staff and the population						Number of people trained		
	Provision of new and upgrading of the existing ICT equipment and software						ICT equipment		
	Risks								
	<ul style="list-style-type: none"> Finances and technical documentation Support by the ministries Local population and their interest 								

3.5. Development and Promotion of Cultural Centres and Opening of a Municipal Library

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
3.5. Development and promotion of cultural centres and opening of a municipal library	Organizing events in the cultural centres						Number of events	<ul style="list-style-type: none"> Municipality of Ilinden Local communities / neighbourhood self-governments Ministry of Culture Cultural and Educational Centre 	
	Opening a municipal library						Open library Number of items in the library collection		
	Risks								
	<ul style="list-style-type: none"> - Finances and technical documentation - Support by the ministries - Coordination with the local population and their interest 								

AREA 4: ENVIRONMENTAL PROTECTION

4.1. Integrated and Sustainable Management and Treatment of Municipal Waste

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
4.1. Integrated and sustainable management and treatment of municipal waste	Providing equipment for primary selection of the communal waste						Number of containers provided, number of households covered, number of vehicles and quantity of selected waste	
	Project and construction of composting facilities for biological waste treatment						Composting facilities for biological waste treatment	
	Rehabilitation and revitalization of degraded space						Degraded area (surface)	
	Risks							
<ul style="list-style-type: none"> - Lack of financial resources - Unfavourable economic environment - Lack of stakeholder s' coordination 								

4.2. Raising Environmental Awareness

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
4.2. Raising environmental awareness	Support for establishing an environmental association						Established environmental association	Municipality of Ilinden PU Ilinden Primary schools
	Educating the youngest population about the benefits of a healthy environment						Number of participants	
	Organizing eco actions and campaigns about the measures in compliance with the law						Number of actions and campaigns organized	
	Establishing eco teams for control and realization of adequate measures and sanctions						Number of eco patrols Number of fines imposed	
	Risks							
<ul style="list-style-type: none"> - Lack of financial resources - Lack of stakeholders' coordination 								

4.3. Usage of Alternative (Renewable) Sources of Energy

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
4.3. Usage of alternative (renewable) sources of energy	Energy efficiency programme						Drafted programme	Municipality of Ilinden World bank European Union
	Implementation of energy efficiency projects in public facilities and street lighting						Number of projects implemented in the public facilities	
	Education and promotion of the energy efficiency and renewable energies model						Number of promotions Number of visitors	
	Risks							
<ul style="list-style-type: none"> - Lack of financial resources - Unfavourable economic environment - Lack of stakeholders' coordination 								

4.4. Resolution of the Problem with the Polluter OKTA

Objective	Specific actions	Timeline					Indicators	Information sources
		2012	2013	2014	2015	2016		
4.4. Resolution of the problem with the polluter OKTA	Cooperation with the competent institutions regarding the upgrading of measuring stations with analyzers for air quality monitoring and their automatic connection onto a display and a sound signal						Number of analyzers placed Connection established onto display and sound signal	Municipality of Ilinden Ministry of Environment
	Initiatives for introducing a local compensation for facilities that produce oil and oil derivatives						Number of initiatives	
	Climate retrieval and regular free of charge medical examinations in order to monitor the health of the residents in the immediate vicinity						Number of people covered with the free medical checkups	
	Construction of a drainage canal in Bujkovci						Length – metres	
	Risks							
<ul style="list-style-type: none"> - Lack of financial resources - Unfavourable economic environment - Lack of stakeholder's coordination 								

4.5. Functioning of the Canal System for Collection of Atmospheric and Underground Waters

Objective	Specific actions	Timeline					Indicators	Information sources	
		2012	2013	2014	2015	2016			
4.5. Functioning of the Canal System for Collection of Atmospheric and Underground Waters	Project for regulation of the primary, secondary and tertiary network of the Skopsko Pole canal system						Drafted project	Municipality of Ilinden Skopje region Skopsko Pole system	
	Automatic and manual cleaning and regulation of the canal system						Length of the cleaned primary, secondary and tertiary channel network of the Skopsko Pole system		
	Education and prevention for the functionality of the canal network						Number of inhabitants covered		
	Risks								
	<ul style="list-style-type: none"> - Lack of financial resources - Unfavourable economic environment - Lack of coordination among the stakeholders 								

ANNEX 2. LEGAL FRAMEWORK FOR THE DRAFTING OF THE LED STRATEGY

Pursuant to the Law on Local Self-Government, act 22, paragraph 1, item 3 (Official Gazette of the Republic of Macedonia n.5/2002), the local economic development is listed as one of the competencies of the municipalities:

“Local economic development – local economic development planning; determining of development and structural priorities; running of local economic policy; support of the development of small and medium size enterprises and entrepreneurship at local level and in that context, participation in the establishment and development of local network of institutions and agencies; promotion of partnership.”

ANNEX 3. ACRONYMS

USAID	United States Agency for International Development
EU	European Union
LED	Local Economic Development
SWOT	Tool used for analysing the current situation – acronym formed from the initial letters of the words S trengths, W eaknesses, O pportunities, T hreats
NGO	Non-governmental Organization
PU	Public Utilities
DUP	Detailed Urban Plan
LG	Local Government
LGU	Local Government Units
PPP	Public Private Partnership
SMEs	Small and Medium Enterprises
GIS	Geographic Information System