

THE REPORT ON REALIZED ANNUAL IMPLEMENTATION PLAN OF DEVELOPMENT STRATEGY OF GRADAČAC MUNICIPALITY FOR 2015

EXECUTIVE SUMMARY

Report on implementation of Gradacac municipality development strategy (2014-2023) aims to encourage all important participants to considerate and contribute to better solutions on implementation of strategic priorities of economic and social development, and environmental protection, all set in 15 defined sector goals.

Plan of implementation for 2015 set implementation of 58 projects in total value of 8.886.185,00 KM. In 2015, 53 projects have been launched, 35 of them are completely finished. Percentage of completed projects in report year is 72%, and that is caused by delaying of project of water supply for southern part of municipality and aborted projects in domain of social activities related to accommodation of Roma families. Total value of implemented projects is 6.431.465,00 KM, which is 72% of realization in comparison to projected financial frame. 52% of this amount has been financed from municipal budget and 48% was financed by external sources.

In a domain of crucial priorities and focuses for 2015, municipality has implemented several projects solving the crucial problems of society. One of those projects is reconstruction of local road in Local Community Međida Srednja, where 2372 m of local road was reconstructed. With implementation of these crucial priorities, municipality has solved long lasting problems for the residents of Međida Srednja. Next project is a construction of sport's court Luke phase I, which enabled conditions for active participation in sports amongst youth population. In 2015 municipality Gradacac, together with FBiH Ministry for Displaced Persons and Refugees, planned to implement a project of accommodating and life improvement of socially endangered families, but project could not be realized due to lack of funds from above listed ministry. In future period, municipality Gradacac shall make further efforts to implement all planned projects in better, more quality manner.

Full completion of sector goals was not achieved during 2015 because municipality Gradacac did not manage to secure necessary funds for all projects. The reason behind it stands in natural disasters occurred in our municipality, including landslides which destroyed dozens of accommodation buildings.

In a domain of impact of Strategy implementation on conditions of macro indicators in municipality Gradacac, during 2015 bigger changes did not occur. It is important to emphasize that number of newly-employed individuals is increasing and planned employment of new individuals is remaining as the task.

During 2015, in the scope of creation of institutional capacities for efficient management of development, municipality Gradačac has founded Business Council consisted of 15 individuals from public and private sector. Task of this authority is counselling function of strengthening of public-business dialogue.

In relation to conclusions and corrective actions during last year, biggest obstacles or difficulties were related to securing the funds from higher authorities, obtaining certain approvals on joint financing of strategic projects with great importance for bigger groups of

residents, and that indicates that future period shall bring the need of initiation of certain activities in order to prevent obstacles in implementation of projects.

1. INTRODUCTION

The goal of this report is to present results of implementation of Development Strategy of Gradačac municipality 2015, using simple and clear manner. Its purpose is to encourage all important participants to considerate and contribute to better solutions on implementation of strategic priorities and operational goals in future years. In that sense, this document contains advices and suggestions for future work and recommends measures for improvement of the processes and results of strategy implementation.

The strategy of integrated development of Gradačac municipality 2014-2023 has been created by Development Team of municipality, in period January to December 2014, as the part of Integrated Local Development Project (ILDP) and it represents joint initiative of Suisse government and United Nations Development Program (UNDP).

Development strategy of Gradacac municipality has been adopted in January 2014, on 11th regular session of Municipal Council, held on 28 JAN 2014. Acting as operational instrument for implementation of strategy, municipality prepares 3-year implementation plan (1+2) each year since adoption of the strategy. Detailed plan of implementation for 2015-2017 has been prepared and published on municipality web page.

This report refers to implementation of strategic, sectoral, priority projects in 2015. By MiPRO methodology, all projects are planned in consultations with all important participants in society, throughout all phases of implementation of strategy.

Creation carrier of 3-year Plan of implementation (1+2) and report as well is Section for management of development and energy sufficiency, and it performs function of body for development management. The report is prepared in cooperation with representatives of all internal bodies of municipality.

Data on implementation is being constantly collected throughout whole period covered by this report, using the tools for tracking the Strategy implementation (Excel table for project tracking) and based on defined sectoral and macro-economic indicators (SMI table). Data is analysed within the team, and based on that activity, quality overview on observed period of implementation is being prepared, as well as advices and suggestions for future period.

2. STRATEGIC GOALS AND PRIORITIES

2.1. Vision

Development strategy of Gradačac municipality 2014-2023 defines following vision:

This is Gradačac:

Community of educated, innovative, ecologically responsible, safe and equal citizens, using developed entrepreneurial spirit and advanced social – business infrastructure, cherish

tradition and promote new values and opportunities, building foundations for responsible partnership in development of north-eastern BiH.

2.2.Strategic goals

Development strategy of Gradačac municipality 2014-2023 defines 4 strategic goals:

Strategic goal 1: Developed entrepreneurship in sector of metal, food processing, wood processing and construction industries, and especially in export orientated activities, building capacities for active and responsible partnership in development of north-eastern BiH.

Strategic goal 2: Modernized and standardized agricultural production (in accordance to modern European and world standards) representing recognizable competition advantage.

Strategic goal 3: Well organized and efficient municipal administration, securing developed infrastructure and activities in sectors of: education, sports, culture, health and social security, providing work conditions and keeping high-educated and young residents in the area of Gradacac municipality.

Strategic goal 4: Advanced quality of life, protected environment, modern communal and touristic infrastructure, and promotion of recognizable products from our area, with continuous increase of energy efficiency and use of renewable sources of energy.

2.3.Sector goals

Strategic priorities for development of municipality are: economic development, social development and environmental protection. In respect of these sectors following goals are defined:

Economic development

Sector goal 1: until 2018, minimum of 100 newly employed workers in existing and new industrial zones

Sector goal 2: until 2018, increase of export and profit off export in metal and textile industry, and 10% in agricultural production

Sector goal 3: minimum of 10 MSE with 100 newly employed, until end of 2018

Sector goal 4: Until 2018, 500 agricultural producers meets EU standards

Sector goal 5: Until 2018, new 50.000 fruit trees, 5.000 m² of green hoses and 40 milking cows, with increase of production and income for minimum 10%

Social development

Sector goal 1: Until 2018, improve sport – cultural life of the residents by creation of spatial and technical conditions for increase of marking traditional, cultural and educational events for 15% and sport- recreation events for 20%.

Sector goal 2: Engage all kids of pre-school age into program of pre-school education, until end of 2015.

Sector goal 3: Improve the quality of the public services in domain of citizen's status, for 15% until the end of 2018

Sector goal 4: Establish mechanism of life improvement for youth, human rights status and gender equality and to improve life conditions for minimum 100 families in the state of social need, until end of 2018

Sector goal 5: Until 2018, improve safety of the residents through improvement of infrastructure and creating conditions for reduction of accidents and socially unaccepted behaviour, for 20%

Sector of protection and improvement of environment

Sector goal 1: Until end of 2018, secure continuous and quality water supply, using public water network, for minimum 30.000 resident of municipality Gradacac

Sector goal 2: Until end of 2018, reduction of polluting the soil by establishing sustainable system of collection, removal and dumping of communal trash for 46.000 residents of Gradacac municipality

Sector goal 3: Until 2018, improve the system of collection, drainage and treatment of waste water in the area of municipality Gradačac, for equivalent of 30.000 residents.

Sector goal 4: By adoption of planned documentation until 2018, pre-conditions met for implementation of new projects in domain of energy efficiency, renewable energy sources and environmental monitoring.

Sector goal 5: Until end of 2018, reduce emissions and pollution for 10%, by implementation of projects related to energy efficiency and usage of renewable energy sources, in the area of Gradačac municipality.

Sector goal 6: Improvement and protection of natural and cultural-historical heritage has increased tourist offer of municipality Gradacac, until 2018.

2.4. Crucial planned priorities and focuses for observed year of 2015

Crucial priorities of economic sector

In accordance to defined sector goals, crucial priorities of economic sector for 2015 are projects of production increase in sector of milk industry and fruit industry. With a focus to this type of the projects, municipality would improve sector of agriculture, contributing to implementation of sector goal 4 and therefore it would create pre-conditions for improvement of standard and life of the residents of our municipality.

Crucial priorities of social sector

Crucial priorities in social sector 2015 are: construction of roundabout junction of roads Gradačac-Modriča and Gradačac-Šamac, construction of road in industrial zone, reconstruction and upgrade of sport court Luke phase I, reconstruction of local road in Local Community Međida, reconstruction of Stara banja park phase II, construction of street lights in 8 local communities...

With a focus on this type of projects, municipality Gradacac has chosen to implement projects which contribute to the safety of its residents.

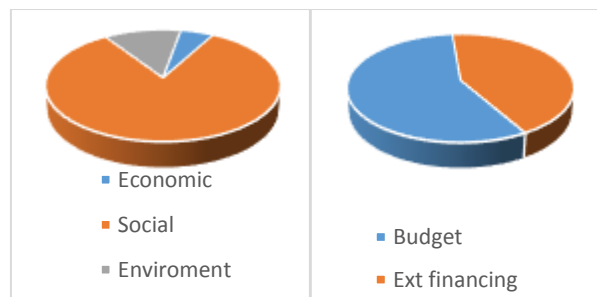
Crucial priorities of environmental sector

In sector of environment for 2015 crucial priorities are: construction of water system in southern part of municipality Gradačac (Domažić), partial reconstruction of town's asbestos-cement water network, expansion of sewage network, construction of water system in Local Community Biberovo Polje, thermos insulation of municipality building – project of energy efficiency...

The focus and crucial priorities for 2015 were to secure continuous and quality water supply using the public water network, to reduce polluting the soil by establishing sustainable system of collection, removal and dumping of communal trash, and to improve the system of collection, drainage and treatment of waste water. In accordance to defined sector goals, crucial priorities in sector of protection and improvement of environment are: expansion of water system network in the length of 10 km, rehabilitation of existing communal trash depot Višnjik in location of Zrnići, with construction of auxiliary installations adapted to sanitary concept of trash dumping until the depot is closed, reconstruction of waste water treatment plant phase I and II (Phase I is machine phase, mechanical pre-treatment and phase II is replacing aeration system in 2 pools), removal of wild trash depots, continuance of reconstruction of Chestnut Alley, cleaning and reconstruction of water source and park at Stara banja location, program of maintaining public surfaces and water sources.

2.5. Summary view of priority projects and frames for their financing included in Plan of implementation 2015-2017

Plan period 2015-2017 included 58 projects, 43 of them are projects initiated in previous period, and other 15 projects started in 2015. Viewing by the development sectors for period 2015-2017, 3 projects were planned for economic sector, 48 projects were planned for social sector and 7 projects were planned in environmental sector. 8.886.185,00 KM is planned for implementation of these projects, 5.010.874,00 KM from municipal budget and 3.875.311,00 KM from external forms of financing. Total capital investments in development projects are 36% of total planned municipal budget. Here, see graphical view of structure of planned projects by number of projects in sectors and forms of financing.



Concerning the sources of external financing, most significant planned source for period 2015-2017 is loan from EBRD. In order to attract funds from external sources, municipality has actively engage in preparation of implementation of this project and close cooperation to the bank, and higher authorities of government in order to secure co-financing of this very important project. Concerning external financing, municipality Gradačac secured the funds from Czech Development Agency, in the form of equipment with included education, in total value of 1.000.000,00 EUR.

It is planned to use most of the funds in social sector, where biggest projects of road infrastructure found their place, in total amount of 6.913.700,00 KM, 57 % or 3.940.950,00

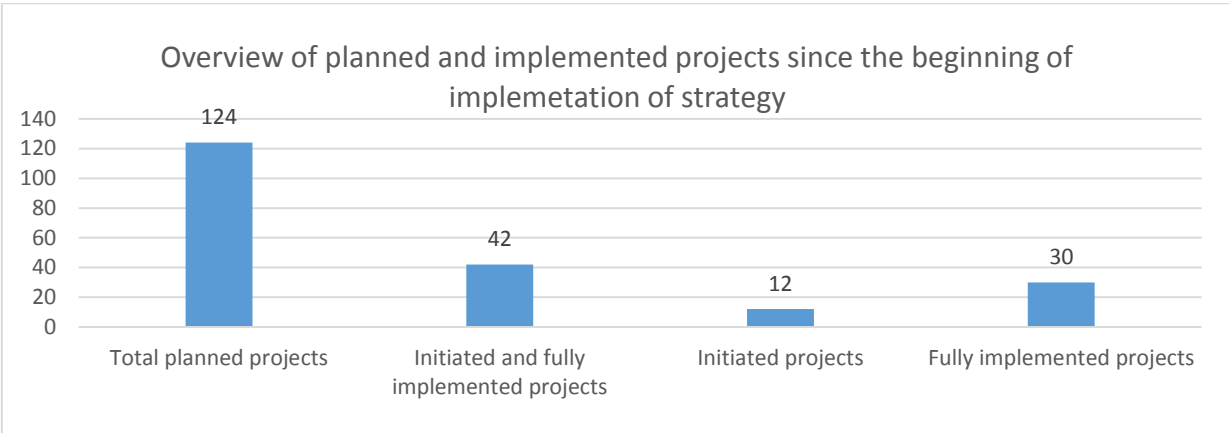
KM secured from municipal budget and 43% or 2.972.750,00 KM is secured from external sources.

3. IMPLEMENTATION OF DEVELOPMENT STRATEGY OVERVIEW

3.1. Brief overview of previous period of implementation

Since the beginning of implementation of development strategy, 42 projects were completed fully, and that is 34% of planned 124 projects. Also, 4 long-term projects have been started and they are still in the process of implementation. It is important to list that, due to lack of funding, 16 projects were stopped. At the same time, 5 new projects got included in process of implementation (those projects were not planned by the Strategy, but their inclusion contributes to implementation of planned strategic/sectoral goals).

Graph of number of implemented projects:

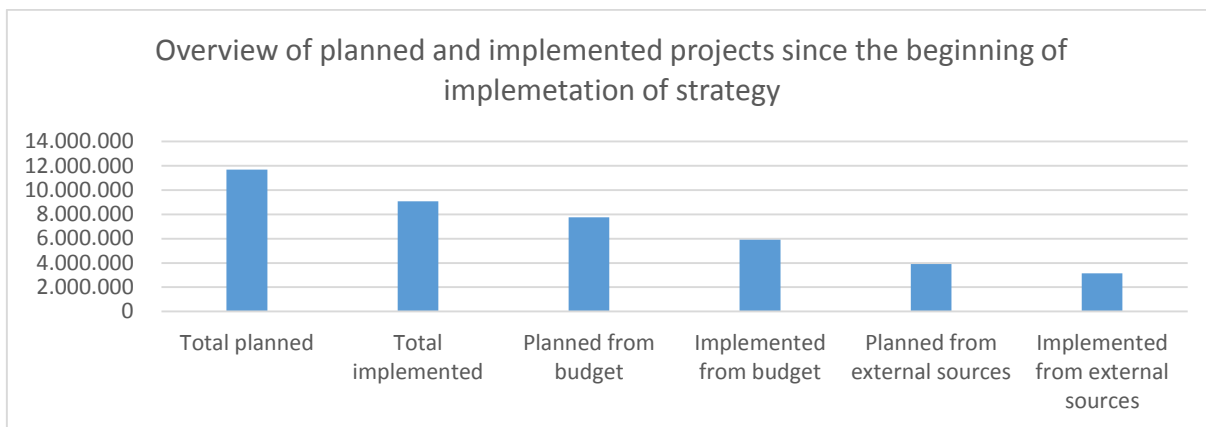


Total value of planned projects for previous 2 report years is 11.691.776,00 KM, and value of fully implemented projects and projects under the implementation is 9.069.532,00 KM, which is 77% of planned implementation.

In the structure of value of all planned projects, 7.771.157,00 KM or 77% is planned to come from municipal budget and 3.920.619,00 KM or 33% is planned to come from external sources.

In the structure of value of all implemented projects, including fully implemented and projects in process of implementation, 5.917.346,00 KM or 65% came from municipal budget and 3.152.186,00 KM or 35% came from external sources. In the structure of value of fully implemented projects, 2.990.639,00 Km or 48% came from municipal budget and 3.133.878,00 Km or 52% came from external sources.

Graph of financial implementation of projects:



Observation of implementation of total number of initiated and fully implemented projects, since the beginning of implementation of strategy, high rate of implementation can be recognized. Even though implementation percentage of implemented projects is affected by numerous factors, conclusion can be made that municipality Gradačac is one of advanced municipalities that managed to secure great funds from its own budget, and from higher authorities as well.

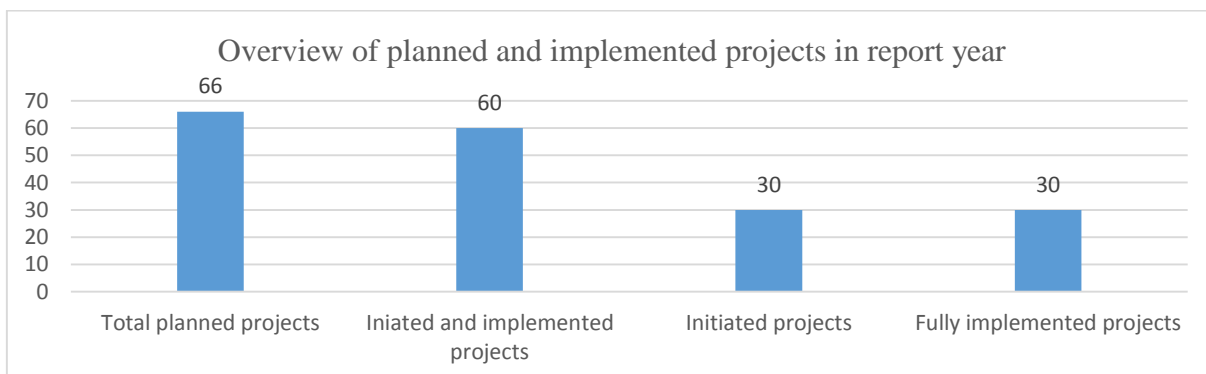
Regarding financial implementation, conclusion can be made that projects are successfully implemented thanks to regular and dead line respective transactions from higher authorities.

3.2. Overview of implementation of Strategy in report year of 2015

Plan of implementation for 2015 set 43 projects as a goal and 33 projects were fully implemented. Plan of implementation did not include projects started and not finished during 2014. Total number of planned and transferred projects is 58. During 2015, 2 more projects were added to the plan of implementation, making the number of 60 initiated projects, and 6 of them were gave up on.

Out of all initiated and implemented projects in 2015, 30 projects are related to the projects whose implementation has started in previous years and 30 projects is related to on-year projects, initiated and implemented in 2015.

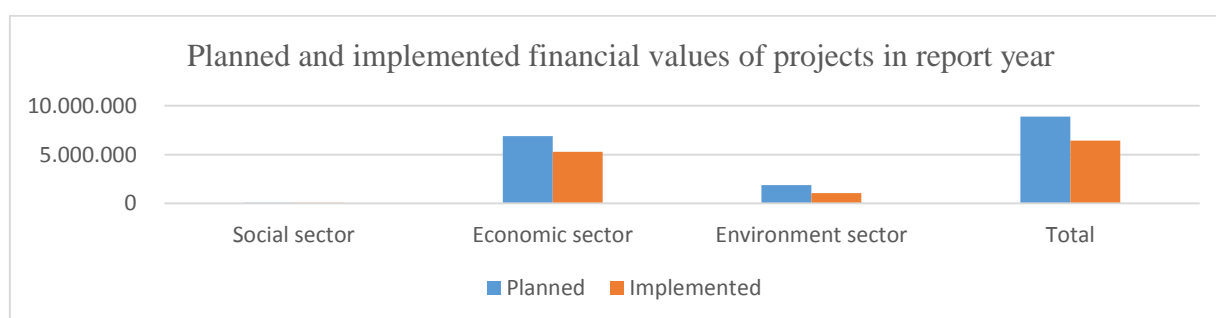
Graph of project implementation:



During the last year, 6 projects were gave up on (rejected projects). Main reasons for giving up is lack of funding from higher authorities, in the form of no publishing of public calls from FBiH ministries.

Regarding financial implementation, total implementation of the projects is 103% in comparison to the plan. Structure of implemented projects, by financing, is 61% from municipal budget and 39% from external sources. By comparing planned structure by financial sources in plan of implementation 2015, 40% was planned from municipal budget and 60% from external sources, conclusion can be made that municipality can count on planning to receive more funds from external sources and it has resources to get this funds allocated.

Graph of financial implementation by sectors:



Following tables provide detailed overview of implemented projects, in relation to the plan and by sectors:

Table 1. Overview of planned projects and implemented projects in 2015 (all sectors)

OVERVIEW (fully and partially implemented projects)	Number of projects	Total	Financed by budget	Financed by external sources
PLANNED				
A. Total number of planned projects	58	8.886.185,00	5.010.874,00	3.875.311,00
% structure of financing A				
IN IMPLEMENTATION				
B. Total number of fully or partially implemented projects	60	6.431.465,00	3.324.587,00	3.106.878,00
% of fully or partially implemented projects (A)	103			
% structure (B)				
C. Total number of partially implemented projects	36	1.624.274,00	1.624.274,00	0
% of partially implemented projects (A)	62			
% structure (C)				
D. Total number of fully implemented projects	24	4.807.191,00	1.700.131,00	3.106.878,00
% in fully implemented	41			

projects (A)				
% structure (D)	100			

Table 2. Financial projection of planned and implemented projects distributed by sectors based on implementation plan.

	Domain	Sum of project financial values		Financing structure of implemented projects	
		Planned	Implemented	Budget (%)	Other (%)
2015	Social development	80.000,00	79.550,00	45	55
	Economic development	6.913.700,00	5.299.597,00	100	0
	Ecology development	1.892.485,00	1.052.318,00	84	16
	Total	8.886.185,00	6.431.465,00	58	42
	% by plan of implementation	100%	103%		

Sector of economic development

1 project was planned in sector of economic development for 2015. 80.000,00 KM was planned for implementation of this project and 79.550,00 KM or 99% was secured. In this sector, funds planned for implementation of the project came from municipal budget. Above listed project was completion of construction of roundabout junction of roads Gradačac-Modriča and Gradačac-Šamac. Original source of financing was FBiH Ministry of traffic and communication.

Table 3. Overview of planned and implemented projects in economic sector

OVERVIEW (fully and partially implemented projects)	Number of projects	Total	Financed by budget	Financed by external sources
PLANNED				
A. Total number of planned projects	1	80.000,00	20.000,00	60.000,00
% structure of financing A				
IN IMPLEMENTATION				
B. Total number of fully or partially implemented projects	2	79.550,00	79.550,00	0
% of fully or partially implemented projects (A)	200			
% structure (B)				
C. Total number of partially implemented projects	2	79.550,00	79.550,00	0
% of partially implemented projects (A)	200			
% structure (C)				
D. Total number of fully implemented projects	0	0	0	0
% in fully implemented projects (A)	0			
% structure (D)				

Social sector

46 projects were planned in social sector in 2015. 15 projects from previous years were transferred and their implementation was continued during last year, and 31 projects were initiated. 20 projects were fully implemented during last year. 6.913.700,00 KM was planned for implementation of these projects and 5.299.597,00 KM or 77% was secured. In this sector, funds planned for implementation of projects came mainly from municipal budget, but also from external sources (information presented in table ahead).

In domain of social sector, most significant projects in 2015 are construction of road infrastructure: construction of the road in industrial zone (project in implementation, Prodor 3), construction of pedestrian road in Local Community Vida II (implemented) reconstruction and upgrade of sport court Luke (implemented with UNDP financial support), reconstruction of local road in Local Community Međida Gornja phase IV, in the length of 2140 m (financial value 540.000,00 KM), construction of sport court Hrgovi Donji, reconstruction of regional road Liporašće (Gradačac) and Gornja Tramošnica (Pelagićevo) (project financed in cooperation with FBiH Ministry of traffic and communications)...

Table 4. Overview of planned and implemented projects in social sector

OVERVIEW (fully and partially implemented projects)	Number of projects	Total	Financed by budget	Financed by external sources
PLANNED				
A. Total number of planned projects	46	6.913.700,00	3.940.950,00	2.972.750,00
% structure of financing A				
IN IMPLEMENTATION				
B. Total number of fully or partially implemented projects	46	5.299.597,00	2.361.338,00	2.938.259,00
% of fully or partially implemented projects (A)	100	77		
% structure (B)			45.	55
C. Total number of partially implemented projects	26	1.112.724,00	1.112.724,00	0
% of partially implemented projects (A)	57	16		
% structure (C)			100	0
D. Total number of fully implemented projects	20	4.186.873,00	1.248.614,00	2.938.259,00
% in fully implemented projects (A)	43	61		
% structure (D)			30	70

Sector of protection of environment

11 projects were planned in environmental sector in 2015. 8 projects from previous years were transferred and their implementation was continued during last year, and 3 projects were initiated. 4 projects were fully implemented during last year. 1.892.485,00 KM was planned for implementation of these projects and 1.052.318,00 KM or 56% was secured. In this sector,

funds planned for implementation of projects came mainly from municipal budget, but also from external sources (information presented in table ahead).

In domain of environmental sector, most significant projects in 2015 are construction of water system in southern part of municipality (Domažić), partial reconstruction of town's asbestos – cement water network, expansion of sewage system(funds shall be secured by EBRD loan), reconstruction of waste water treatment plant(grants secured by Czech development agency in value of 1.000.000,00 EUR), reconstruction of Stara banja park phase II, thermo-insulation of municipal building, construction of chestnut alley(length of 300m, project implemented), reconstruction of existing depot of communal trash, with construction of auxiliary objects adopted to sanitary concept of trash dumping(project transferred in 2015)

Table 5.Overview of planned and implemented projects in environmental sector

OVERVIEW(fully and partially implemented projects)	Number of projects	Total	Financed by budget	Financed by external sources
PLANNED				
A. Total number of planned projects	11	1.892.485,00	1.049.924,00	842.561,00
% structure of financing A			55	45
IN IMPLEMENTATION				
B. Total number of fully or partially implemented projects	12	1.052.318,00	883.699,00	168.619,00
% of fully or partially implemented projects (A)	109	56		
% structure (B)			84	16
C. Total number of partially implemented projects	8	432.000,00	432.000,00	0
% of partially implemented projects (A)	73	23		
% structure (C)			100	0
D. Total number of fully implemented projects	4	620.318,00	451.699,00	168.619,00
% in fully implemented projects (A)	36	33		
% structure (D)			73	27

3.3.Crucial results and achieved progress

Based on collected and processed data on implementation of the projects in report period, conclusion can be made that annual results are visible throughout implementation of projects of capital investments in infrastructure(modernization of roads, water and sewage network). The biggest progress was made in domain of social sector and environmental sector. In the scope of social development, out of 25 planned projects, 24 of them are initiated and 12 are fully implemented. Within this sector, significant capital projects are being implemented and

they contribute to better life conditions in Gradačac municipality and also they improve business environment. In domain of environmental sector, 5 projects were initiated and 4 of them are fully implemented.

5 goals are defined in economic sector and 2 goals are fully accomplished, SG1 and SG2.

Economic development

Sector goal 1: until 2018, minimum of 100 newly employed workers in existing and new industrial zones

It is planned in 2015 to increase the number of employed individuals for minimum of 60 and to launch production in 2 companies.

During 2015, 2 new companies launched their productions and employed minimum of 100 workers. Operational goal is exceeded.

Sector goal 2: until 2018, increase of export and profit off export in metal and textile industry, and 10% in agricultural production.

In 2015, it was not planned to increase the number of companies involved in export, and it was planned to increase number, by 2, of agricultural producers involved in export.

During 2015, number of companies involved in export is increased by 2 and number of agricultural producers involved in export is increased by 1.

Operational goal is exceeded.

Sectoral goals 3, 4 and 5 of economic development, were not worked on.

5 goals are defined in social sector and they are either partially or fully implemented.

Sector goal 1: Until 2018, improve sport – cultural life of the residents by creation of spatial and technical conditions for increase of marking traditional, cultural and educational events for 15% and sport- recreation events for 20%.

In 2015, 46 traditional, cultural and educational events took place, 5650 citizens attended these traditional, cultural and educational events and 2650 citizens attended to sport- recreation events.

Operational goal 1 achieved.

Sector goal 2: Engage all kids of pre-school age into program of pre-school education, until end of 2015.

In 2014, it was planned to build 2 new class rooms and to engage 430 kids in pre-school education. Operational goal fully achieved. Implementation of this goal 100%.

Sector goal 3: Improve the quality of the public services in domain of citizen's status, for 15% until the end of 2018

Construction of the premises for public registry office was planned for 2015 and number of online users shall be 100, and number of satisfied citizens shall be 250.

During 2015, construction of the premises for public registry office has begun. Operational goal partially achieved.

Sector goal 4: Establish mechanism of life improvement for youth, human rights status and gender equality and to improve life conditions for minimum 100 families in the state of social need, until end of 2018

In 2014, it is planned to secure accommodation for 20 Roma families, to improve living conditions for 10 families and to organize 1 educational fair.

In 2015, 5 Roma families are accommodated, living conditions were improved for 10 families living in collective centre Dueren and 1 educational fair was organized.

Operational goal 4 is partially achieved.

Sector goal 5: Until 2018, improve safety of the residents through improvement of infrastructure and creating conditions for reduction of accidents and socially unaccepted behaviour, for 20%

In 2015, value of the damage caused by natural disasters was in the range of 5.900.000,00 KM, no lethal mine accidents occurred, number of street dogs is reduced to 700, 140 traffic accidents occurred and 158 cases of criminal acts and public peace and order disturbances occurred .

Operational goal 5 of social sector is partially achieved.

Sector of protection and improvement of environment defines 6 goals:

Sector goal 1: Until end of 2018, secure continuous and quality water supply, using public water network, for minimum 30.000 resident of municipality Gradacac

It is planned in 2015 to have a capacity of fresh water distribution at 130 l/s, to reduce water losses for 42%, and to have 100 new initial installations to houses.

During 2015, construction of water supply network was performed in the length of 1356 m, increase of capacity of water distribution was not worked on, water losses remained at 50% and number of new installation to houses is 46.

Operational goal 1 of environmental sector fully achieved.

Sector goal 2: Until end of 2018, reduction of polluting the soil by establishing sustainable system of collection, removal and dumping of communal trash for 46.000 residents of Gradacac municipality.

It is planned in 2015, to remove 2 trash depots, to have 200 households separating their trash, and to separate trash for recycling, in amount of 5%, of collected trash.

During 2015, 3 wild depots were removed and rehabilitated, trash separation on site did not start, and no trash for recycling was collected.

Operational goal 2 was not fully implemented.

During 2015, sector goals 3 and 4 of environmental sector were not worked on and therefore implementation of these goals cannot be discussed.

Sector goal 5: Until end of 2018, reduce emissions and pollution for 10%, by implementation of projects related to energy efficiency and usage of renewable energy sources, in the area of Gradačac municipality.

It was planned in 2015, to reduce the use of energy generating products for 5%, reduce emissions of 5 public buildings for 2%, reduce the use of energy generating products for 8%

and electricity for 10%.

During 2015, new windows on Gradačac municipality building, cadastre building and building of inspections were installed and it lead to reduction of use of energy generating products for 8%.

Operational goal 5 is fully accomplished.

Sector goal 6: Improvement and protection of natural and cultural-historical heritage has increased tourist offer of municipality Gradacac, until 2018.

It was planned in 2015, to construct 2 green areas, reconstruct 150 m of chestnut alley, to have 300 swimmers at the lake and to install 20 tourist signs.

During 2015, 150 m of chestnut alley was reconstructed. Operational goal 6 of environmental sector is partially implemented.

3.4. Vertical and horizontal harmonisation and level of integration

Based on presented implementation of projects and accomplishment of sectoral goals, mutual integrity and connection between sectoral and strategic goals is visible. Construction of business infrastructure in industrial zone, within economic sector, at the same time has strong influence on social development, throughout creation of conditions for employment and improvement of citizen's life standards.

During 2015, it came to implementation of projects in domain of protection and improvement of environment, contributing to development of society and improvement of citizen's life standards, constructing green areas, construction of sewage and street lights reconstruction.

In the scope of social development, most of the investments went to road infrastructure, significantly contributing to economic and ecological sector.

Projects planned for future period shall be in domain of water supply – construction of water system in southern part of municipality (Domažić), reconstruction of asbestos – cement town's water network, expansion of sewage network, all in the form of construction of 135 km of pressurizing- distributing water supply network, construction of 6 water tanks and 14 pumping stations, reconstruction of 20 km town's water supply network and construction of 15 km of sewage network, contributing to the better life of population.

3.5. Institutional capacities of municipality management and cooperation with relevant factors

During 2015, with support and help from UNDP/ILDP and USAID-SIDA/GOLD projects, unit for management of development was institutionalized, that is Section for management of development and energy efficiency, with function of management of development.

Human resources in charge of development, mainly employed in Section for investments, supervision and energy efficiency, possess all necessary capacities and skills to manage the work in relation to this domain.

4. CRUCIAL MACROECONOMIC INDICATORS

Gradačac municipality is situated in the north east of Bosnia and Herzegovina and it is part of Tuzla canton. Municipality spreads over southern and south east part of central Posavina which covers portion of northern Bosnia and downhill region of Majevisa and Trebava mountains, and it occupies territory of 218 km². Gradačac is accessible from 4 directions: Modriča, Bosanski Šamac, Orašje and Ormanica. Distance to Tuzla is 60 km, to Sarajevo 180 and to Zagreb 341 km. Distance to Tuzla airport is around 80 km. 41.800 residents live in the area of Gradačac municipality, 6.650 employed and 7.500 unemployed. Gross domestic product per head is 2.950,00 KM. Average net salary is 620,00 KM. Average salary in Gradačac is about 20% higher than in other, surrounding municipalities of similar size. GDP and average salary did not significantly change during last several years.

Following is table view of macro indicators for starting and report year. Table cells are filled with accessible data:

GENERAL DEVELOPMENT INDICATORS	Indicator	Starting point			Report year 2015			Cantonal average 2015		
		2012			Total	M	F	Total	M	F
		Total	M	F	Total	M	F	Total	M	F
Population	Number	46132			41800					
Employed	Number	6500	4200	2300	6650	4350	2300			
	%	45,9	64,6	35,4						
Unemployed	Number	7580	4450	3130	7500	4300	3200			
	%	54,1	59	41						
Gross domestic product	value									
	Per head	2846			2950					
Investments on municipal territory	Value	1448779								
Number of companies per 1000 residents	Ratio	15			17					
Average net salary in KM	value	600			620					
Number of students in primary and secondary schools per 1000 residents	Number	135			130					
Social transfers per residents	Per head	5,35								
Number of doctors per 1000 residents	Ratio	0,39			0,45					
Amount of realized funds for priorities from development strategy	Value	0								
ADDITIONAL INDICATORS OF DEVELOPMENT										
Portion of realized capital investments in municipal budget	Ratio	16,63								
Number of agricultural economies per 1000 residents	Ratio									
Number of social welfare users per 1000 residents	Ratio	8								
Residents w/health insurance in ratio to total number of residents	Ratio									
Number of active members in cultural institutions	Number	1900	800	1100	2000	900	1100			
Number of active members in sport institutions	number	2500	1500	1000	2650	1600	1100			
Access to controlled fresh water	%	100			100					

Households with solid trash removal	%	49			49					
Settlements with no paved roads	Number	0			0					
Settlements with no electricity	Number	0			0					
CO2 emissions per head	ton									

5. CONCLUSIONS AND SUGGESTIONS

Implementation of the Strategy in 2015 is on extremely satisfied level. Total percentage of implementation of planned funds in amount of 72%, exceeds expectations of development team's members and municipality management, due to the fact that, during this year, state of natural disaster due to the landslides, was declared twice and significant funds were secured for that relief. Regarding realization of sectoral goals, it is obvious that some goals were realized 100 % and more, and some of them were not worked on.

In 2015, significant step forward was taken in establishing strategic and institutional frame for management of development. Knowing that this year is first year of implementation of Strategy, which implied establishing new systematic approach within local self-management, results were achieved in the sense of processes improvement and strengthening the capacities of employees working on planning, monitoring and evaluation of current Strategy of development for Gradačac municipality.

Second year of implementation of Strategy delivered:

- Second three – year implementation plan was prepared, form period 2015-2017. This was important experience for municipality, and gained lessons from first planning process were used as foundation for improvement in future years
- Annual implementation plans by departments and sections were prepared and accent was given to project approach, accepted in great manner in Gradačac municipality earlier.
- Annual planning of project and regular activities was complete novelty for Gradačac municipality
- Defining and establishing frame for management of development
- Achieving significant progress in cooperation with private sector. Business council was formed, aiming at strengthening of public-private dialogue and active participation of private sector in implementation of projects of economic development

Based on detailed analysis of implementation of Strategy in 2015, following can be concluded:

23 projects were fully implemented, 35 projects are being under progress. Other 2 projects were not planned for 2015, but they were started on.

- Crucial projects of infrastructural development were implemented, including construction of roads, local roads, water system and sewage, but also roads which enabled existing industrial zones to be in function, and further significantly increase chance for attracting the investment, opening of new MSEs and creation of new job positions.

- Structure of implemented projects in 2015 in Gradačac municipality displays fully defined strategic approach, adequate budget planning, good estimations and realistic expectations in the domain of external sources. Implementation of great number of capital investments shall deliver great impact on economic and social development, and in future years, more concrete results in the sense of opening new companies, increase of new job positions, and better values of macro indicators.