Preparation for implementation of an Area Based Development Approach (ABDA) in the Western Balkans

Baseline Study and Strategic Plan

for development of Shara Mountain Region
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td>1 Countries and administrative regions covered</td>
<td>7</td>
</tr>
<tr>
<td>1.1 Applied ABD selection criteria</td>
<td>9</td>
</tr>
<tr>
<td>2 Geographical area covered by the plan</td>
<td>9</td>
</tr>
<tr>
<td>2.1 Municipalities description</td>
<td>11</td>
</tr>
<tr>
<td>2.1.1 Macedonian municipalities</td>
<td>13</td>
</tr>
<tr>
<td>2.1.2 Albanian municipalities</td>
<td>14</td>
</tr>
<tr>
<td>2.1.3 Kosovo municipalities</td>
<td>15</td>
</tr>
<tr>
<td>2.2 Area description – Land structure of the cross border area</td>
<td>16</td>
</tr>
<tr>
<td>3 Quantified description on the current situation</td>
<td>17</td>
</tr>
<tr>
<td>3.1 Description of the current situation showing disparities, shortcomings and potential development</td>
<td>17</td>
</tr>
<tr>
<td>3.1.1 Historic review of cooperation within the region</td>
<td>17</td>
</tr>
<tr>
<td>3.2 The general socio-economic context of the geographical area</td>
<td>17</td>
</tr>
<tr>
<td>3.2.1 Population</td>
<td>17</td>
</tr>
<tr>
<td>3.2.2 Net Migration rate</td>
<td>20</td>
</tr>
<tr>
<td>3.2.3 Ethnic composition of the population</td>
<td>21</td>
</tr>
<tr>
<td>3.3 Economic drivers</td>
<td>25</td>
</tr>
<tr>
<td>3.4 Performance of the main economic sectors</td>
<td>27</td>
</tr>
<tr>
<td>3.4.1 Agriculture and livestock breeding</td>
<td>27</td>
</tr>
<tr>
<td>3.4.2 Production industry</td>
<td>32</td>
</tr>
<tr>
<td>3.4.3 Catering services</td>
<td>32</td>
</tr>
<tr>
<td>3.4.4 Trade</td>
<td>33</td>
</tr>
<tr>
<td>3.4.5 Tourism</td>
<td>33</td>
</tr>
<tr>
<td>3.5 Environment and waste management</td>
<td>36</td>
</tr>
<tr>
<td>3.5.1 Bio-diversity and eco-systems</td>
<td>36</td>
</tr>
<tr>
<td>3.5.2 Solid waste and waste water management</td>
<td>37</td>
</tr>
<tr>
<td>3.6 Rural economy</td>
<td>38</td>
</tr>
<tr>
<td>3.6.1 Developed sectors other than agriculture</td>
<td>39</td>
</tr>
<tr>
<td>3.6.2 Barriers to creation of employment opportunities</td>
<td>39</td>
</tr>
<tr>
<td>3.6.3 Dependence on financial resources</td>
<td>40</td>
</tr>
<tr>
<td>3.6.4 Micro business formation</td>
<td>41</td>
</tr>
<tr>
<td>3.7 Description and gap analyses of the provision of services in rural areas</td>
<td>42</td>
</tr>
<tr>
<td>3.7.1 Provision of water and electricity</td>
<td>42</td>
</tr>
<tr>
<td>3.7.2 Transportation services and road infrastructure</td>
<td>43</td>
</tr>
<tr>
<td>3.8 Cultural and natural heritage</td>
<td>44</td>
</tr>
<tr>
<td>3.9 The main results of previous activities operations undertaken with Community and other bilateral or multilateral assistance, the financial resources deployed</td>
<td>44</td>
</tr>
<tr>
<td>4 Strategic Plan for development of Cross – Border Sharra Region</td>
<td>47</td>
</tr>
<tr>
<td>4.1 Strategic Planning Process</td>
<td>47</td>
</tr>
<tr>
<td>4.2 Vision</td>
<td>47</td>
</tr>
<tr>
<td>4.2.1 A sustainable approach to Regional Development</td>
<td>48</td>
</tr>
<tr>
<td>4.3 Priority areas</td>
<td>48</td>
</tr>
<tr>
<td>4.4 The Strategy</td>
<td>49</td>
</tr>
<tr>
<td>4.5 Strategic goals and objectives per priority area</td>
<td>50</td>
</tr>
<tr>
<td>4.5.1 Priority Area: Environment</td>
<td>50</td>
</tr>
<tr>
<td>4.5.2 Priority area: Regional Economy</td>
<td>53</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------</td>
</tr>
<tr>
<td>4.5.3</td>
<td>Priority area: Tourism and Culture</td>
</tr>
<tr>
<td>4.5.4</td>
<td>Priority area: Regional Infrastructure</td>
</tr>
<tr>
<td>4.5.5</td>
<td>Priority area: Agriculture and Rural Development</td>
</tr>
<tr>
<td>5</td>
<td>Action Plan Framework</td>
</tr>
<tr>
<td>5.1</td>
<td>The Actions</td>
</tr>
<tr>
<td>1</td>
<td>Priority Area: Environment</td>
</tr>
<tr>
<td>6</td>
<td>Publicity and visibility</td>
</tr>
<tr>
<td>7</td>
<td>Annexes</td>
</tr>
<tr>
<td>7.1</td>
<td>Annex 1: Stakeholders’ questionnaire</td>
</tr>
<tr>
<td>7.2</td>
<td>Annex 2: Cultural and Natural resources</td>
</tr>
<tr>
<td>7.3</td>
<td>Annex 3: Strategic matrix</td>
</tr>
</tbody>
</table>
This programming document consists of two main parts: Baseline study and Strategic plan for development of the cross-border region of Sharra Mountain. The Baseline Study evaluates the existing socio-economic conditions, disparities and potentials for development of the Region whilst the Strategic and Action Plan present the strategic framework of directions for development. The paper is mutually developed by the regional stakeholders through utilization of the ABD approach.

The ABD approach was applied in order to determine particular problems and challenges that are present in the Region and to design strategic goals and actions that will help to overcome the development barriers and restrictions. The achievement of the strategic goals can be done through utilization of the endogenous approach and through joint cooperation between the regional stakeholders.

Sharra Mountain Region is one of the cross-border areas selected by the SWG Board. The region is placed on a territory that belongs to three states: FYR of Macedonia, Albania and Kosovo. Geographically, the area is positioned in the north-western part of Macedonia, southern part of Kosovo and north-east part of Albania. Two municipalities from Macedonia (Jegunovce and Tearce), three from Kosovo (Shtrpce, Prizren and Dragash) and the District of Kukes from Albania (District of Kukes consists of one urban and fourteen rural municipalities) are representing the region.

In accordance to the above mentioned ABD criteria and indicators considered in the selection of the regions, they have the necessary characteristics to create cross-border area for common development.

The Sharra Mountain cross-border region has specific and common characteristics in terms of advantages: wealth of natural resources and biodiversity, clean environment and big agricultural potentials. The municipalities are all settled on the massive of the Sharra Mountain and have similar characteristics in terms of natural resources and economic activities which are mainly in the fields of agriculture and food production. They possess large surfaces of forest and agricultural land as well as diverse hydro network.

At the same time the area has some common problems and is facing challenges with the poor waste management, underdeveloped infrastructure and undersized economies as well as non-qualified human capital.

The economy of the Region is characterized with presence of many family and micro businesses. They are mainly operating in the fields of agriculture or trade and do have weak capacities to generate bigger income and employment. There are a few crucial economic sectors that form the essence of the economic activity in the Shara cross-border area. They are: agriculture, livestock breeding, trade, catering services and tourism.

The overall population of the Region is 321,437 citizens and is mainly characterized with population aged between 15-64 years. As such this is one of the “youngest” areas compared to the rest of the assessed regions by the ABD. More than 35% of this population is unemployed. This population considers being labour force, and for that the potential, in terms of quantity, for economic development of the region is very high. However, this potential can be engaged if developmental activities occur. The local labour force requires further capacity building and vocational trainings, but the region has not adequate capacities to undertake such activities without external assistance.

The Strategic and Action plan for development of Sharra cross-border Region provides recommendations for sustainable and shared development of the area. The document aims towards achievement of a balanced and sustainable development by the accomplishment of three fundamental goals:
- economic and social cohesion;
- conservation and management of natural resources and the cultural heritage; and
- more balanced competitiveness of the area.

The core of the Strategy is the principle of securing a better quality of life for the citizens, by seeking to meet the four objectives of sustainable development:

- Successful protection of the environment;
- Sustainable use of natural resources;
- Improvement of economic growth and employment
- Social protection and progress which appreciates the needs of everyone.

The Strategic Plan has five priority areas which were identified by the Regional Stakeholders Group:

1. Environment
2. Regional Economy
3. Tourism and Culture
4. Regional Infrastructure
5. Agriculture and Rural Development

Each priority area has its strategic goals and their corresponding objectives and activities. All of them are interdependent and brought into a high correlation, thus complying with the multi-sector nature of ABD.
The Baseline study and strategic plan for development of the cross-border region of Sharra Mountain is a programming document that evaluates the current situation related to socio-economic conditions, disparities and potentials for development within the region, through applying the ABD approach. The document was developed in six chapters that provide picture of the region characteristics.

The first chapter of the document (Chapter 1) elaborates the applied Area Based Development (ABD) criteria. The second chapter (Chapter 2) gives view of the geographical area covered by the Sharra region, its land composition and natural-geographical resources. Chapter 3 provides quantified description of the current situation. It contains detailed analyses of different socio-economic sectors in the region, identifying its shortcomings, disparities and potentials for development that are present in the region. This chapter also provides information about national and international donor programmes as well as activities undertaken in order to improve economies and living conditions in the region. The forth chapter (Chapter 4) describes the overall strategic planning process, defines the strategic plan for development of the targeted area including description of the overall strategic planning process, the Vision of the strategic plan, the chosen priority areas, the potential and critical needs for development and the SWOT analysis. The chapter provides information about strategic goals, objectives and activities for each priority area and gives an overview of the stakeholder structure, describing the structure of stakeholder – working group, including its authorization for the consultations and adoption of the strategy, and the support during the process of its implementation. Chapter 5 delivers the Action Plan. The last chapter (Chapter 6) gives summery of the publicity and visibility measures required for implementing the strategy. It also includes guidance that will ensure proper publication of the document and that actions described will reach the target groups (potential beneficiaries).

One of the cross-border areas selected by the SWG Board for identifying the potentials of cross-border cooperation is the Shara Mountain cross-border region. This region is placed on territory that belongs to three states: FYR of Macedonia, Albania and Kosovo. It is covering the north-western part of Macedonia, southern part of Kosovo and north-eastern part of Albania. The region possesses a strong level of homogeneity in their natural, economical, social and other performances; it is rich in natural resources and has a relatively good infrastructure. Still there are very poor and weak international connections in the region. Due to military conflicts and cultural differences cooperation between municipalities is not developed. Also the huge migration toward capitals is happening in the region as a result of the municipalities’ underdeveloped economies.

In order to discover problems and identify actions, the ABD approach was applied during the preparation of this document. The aim of using this approach was its use as a tool that can help in overcoming the development barriers and restrictions. According to the definition, ABD targets “specific geographical areas in a country characterised by a particular complex development problem, through an integrated, inclusive, participatory and flexible approach”¹.

The Methodological approach that was applied was based on “A consolidated and adapted methodology for an area-based development approach in cross border areas of the Western Balkans” - Gert Guri, Fabien Santini.² The methodology includes the following steps: Area Delineation;

² The methodology was developed by the Institute for Prospective Technological Studies (IPTS) from Spain which is one of the seven scientific institutes of the European Commission’s Joint Research Centre (JRC) as part of the EU financed (DG – AGR) study, carried out in close cooperation with SWG.
Baseline assessment; Strategy and Action Plan; Strategy Implementation and Monitoring and on-going improvement of the process. The information sources that were considered during the implementation of the methodology are: official national statistical data, secondary sources (reports, strategies, scientific references etc.) and unpublished basic data provided by local governments.

The structure and content of the final document were adapted in accordance to the requirements defined in Guidelines for the elaboration of ABD programming documents – Kaj Mortensen.

The goal of this study is to elaborate a Baseline Study and a Strategic and Action Plan that will help in identification and development of realistic solutions for sustainable and joint development of the cross-border region of Sharra Mountain. These solutions will have the aim to develop the capacities of the local structures and key stakeholders, (participants in the process of drafting, adopting and implementing the regional development strategy). As a result, the provided solutions should develop higher responsibility of stakeholders for development of the Region and its attractiveness for investments that will improve regional socio-economic conditions.

The Strategic Plan contains five priority areas that were identified by the Regional Stakeholders Group:

1. Environment
2. Regional Economy
3. Tourism and Culture
4. Regional Infrastructure
5. Agriculture and Rural Development.

Each of the areas has its strategic goals, corresponding objectives and activities. They are highly connected and dependent on each other, thus complying with the multi-sector nature of ABD.
1 Countries and administrative regions covered

1.1 Applied ABD selection criteria

SWG Board have recognized and selected the Sharra Mountain region as area for application of the ABD methodology and development of Strategic document. This region is one of the seven regions identified in the Study: Identification of potential rural cross-border target areas for the implementation of an area-based development approach in the Western Balkans, carried out by the Institute for Prospective Technological Studies and the Faculty of Agriculture - University of Belgrade.

The territory delimitation and cross-border analyses of the proposed rural regions were developed in three steps: The originally proposed area of Sharra Mountain consists of the municipality of Jegunovce and Tearce in Macedonia and the Municipality of Prizren in Kosovo. The proposed rural cross-border target areas were cross-checked again in terms of existence of similar development challenges and co-dependence in the use of specific assets, such as natural resources. Beside the general analysis of the Region of Sharra Mountain, a separate analysis of the proposed municipalities that composed the Region was done and the municipalities in the wider region which are taking part of the Sharra mountain. The region is much wider but the central part of the proposed area was the Sharra Mountain and its surroundings. It has its own identity, characteristics, similar resources and challenges. Therefore, it was suggested to introduce to the region Municipalities of Shtrpce and Dragash from Kosovo side and the entire District of Kukes from Albanian side. Such Region of trilateral cross border region which is covers almost the entire territory of the mountain of Sharra.

The region is placed around Sharra Mountain, in cross-border area of three states – FYR of Macedonia, Albania and Kosovo. The area is mountainous and abounds with rare animal and plant species as well as nature that need to be protected and sustained. The first step towards protection of Sharra Mountain has been taken by Municipality Shtrpce (Kosovo), who has declared the mountain as National Park. Other municipalities coming from FYRM and Kosovo are undertaking initiatives for declaring Sharra as national park. The cross-border area is positioned on agricultural land as well.

Summarised common criteria considered in selection of the regions

| Strong economic links, based on well-integrated regional economy and compatible economic structure | Proximity of attractive markets |
| Demographic situation characterised by potential in human capital (less outmigration, better educational attainment) | Opportunities for growth, both in agriculture and other rural/urban economy sectors (tourism, other primary sector activities, manufacturing) |
| Homogeneous characteristics of natural resources: agricultural land, biodiversity, agro-business and farm structure | The possibility of improving environmental protection |
| Well-developed physical infrastructure | Existence of typical products |
| Existence of institutional capacity of local governments and CSOs | Necessity of renewing of social connections among border population |

The Sharra Mountain cross-border region has specific characteristics in terms of advantages: wealth of natural resources and biodiversity, clean environment and relevant agricultural potentials. At the same time the area is facing challenges with the underdeveloped economies and lack of human capital as well as poor waste management.

The Sharra region has rich and unexploited natural resources in terms of forests, pastures, arable land and water. The diversity of natural resources that the region owns can provide solid basis for diversification of the economy in rural areas. The potentials also offer development of wood

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4 The Sharra Mountain area that is within the borders of Municipality of Shtrpce is protected as National Park.
industry, textile industry, energy production, etc. The existence of large amounts of water resources can secure future for sustainable development of the region.

In terms of demography, this is one of the “youngest” areas compared to the rest of the assessed regions by the ABD. There is a solid potential of labour force in terms of quantity, which can be engaged if developmental activities occurs. The local labour force requires further capacity building and vocational trainings, but the region has not adequate capacities in terms of educational institutions to respond to regional needs. The region has only one border crossing for movement of people and commercial goods between Macedonia and Kosovo – Jazince located on the territory of the Municipality of Jegunovce. This border-crossing works with lowered capacities during winter season due to its location (mountainous region) and difficult weather conditions. The transportation of people and goods is mainly re-directed towards the main border-crossing Blace which is located next to Skopje. There are two border crossings between Kosovo and Albania: Morina- Vermice (located 18 km from city of Prizren as the only border crossing point for commercial goods and movement of people) and Shishtavec – Krusheve used only for transit of people.

Other common regional characteristic are the size and stage of development of the existing business in the Region. The SMEs from the Region do not possess innovative products, new technology, managerial capacities or organizational principles already known and used in EU countries. Low capacity for waste management (solid waste and waste water) is a common characteristic of the region. These area distinctions will be further elaborated in more details below, in adequate chapters of the document.

During the preparation of the document four (4) procedures were applied considering the ABD principles:

- During the implementation of the activities the participatory planning process took place. The aim of this process was to secure input from all municipalities and key stakeholders representing the private and civic sector in order to provide a joint document that will give the real picture of the region. For that purpose seven meetings were organized in a series of four cycles with presence of stakeholders from the region- representatives from the public, private and civic sector. The first cycle of four meetings was organized on local basis. Separate meeting with local stakeholders from the Macedonian part of the region was held in the Municipality of Tearce. On Kosovo side there were two meetings with local stakeholders, one in Prizren and one in Dragash. The last meeting of this cycle was held in Kukes with the stakeholders representing the District of Kukes. The other three cycles of meetings were organized in Dragash, Kukes and Tearce respectively. During these meetings the information relevant for the baseline study was reviewed as well as strategic framework developed (vision, strategic goals and activities). Forty (40) representatives from all three sectors took participation at the meetings: 20% percent belonging to private sector 50% coming from the public sector 30% representing civic sector.

- The principle of integrated approach was engaged in order to assist the production of the document which is a result of combined interests, needs, priorities of the stakeholders from different economic and social sectors. During the strategic planning process, the work of the each thematic group was undertaken by the stakeholders from all three sectors. The integrated approach secured input of the all area actors and covered all the relevant factors throughout the interactions of the stakeholders. According identified priority areas and potentials for development stakeholders worked in five thematic groups: 1) Environment, 2) Regional Economy, 3) Tourism and Culture, 4) Regional Infrastructure and 5) Agriculture and Rural Development. Regional stakeholders also took part in the process of assessment of the potentials of the region as surveyors and in drafting the final document.

- In order to secure that all components/ sections from the document have regional character, the principle of inclusive processes was applied as well. The analysis of the situation, SWOT, the visioning, priority areas, strategic goals and development projects reflect the regional potentials and opportunities and aspirations. In cases where there was deficit of current
and verifiable data, proxy-indicators, results of survey and qualitative information collected through study visits were employed to address the lack of quantitative data in some sectors and municipalities.

- Both, bottom-up and top-down approaches were applied in drafting this document by involving relevant local stakeholders in the processes of planning and selecting regional priorities (bottom-up approach) national experts in harmonizing regional development strategies with national strategic documents in three countries (top-down approach).

2 Geographical area covered by the plan

Geographically the Sharra region is positioned in the north-western part of Macedonia, southern part of Kosovo and north-eastern part of Albania.

Borders of the Sharra cross-border region and region land composition are given in Map 1, while the delineation of the municipalities within the region is presented in Map 2.

Map 1: Borders of the Sharra cross-border region

Map 2: Delineation of the municipalities in the Sharra cross-border region
Two municipalities from Macedonia, three from Kosovo and one district from Albania are constituents of this region. Municipalities and their basic characteristics are given in Table 1.

**Table 1: Sharra cross-border area state review**

<table>
<thead>
<tr>
<th>Participating municipalities</th>
<th>Population (number of inhabitants)</th>
<th>Area (km²)</th>
<th>Population density per state</th>
<th>Population density in the region</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macedonia (FYROM)</strong></td>
<td>33,598</td>
<td>311</td>
<td>108</td>
<td>125,3</td>
</tr>
<tr>
<td>Jegunovce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tearce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Albania (AL)</strong></td>
<td>61,934</td>
<td>930</td>
<td>66,5</td>
<td></td>
</tr>
<tr>
<td><strong>Kosovo (KS)</strong></td>
<td>225,905</td>
<td>1,323</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>District of Kukes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prizren</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dragas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shtrpce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: State Statistical Office and data from municipalities- municipality sources

The programme target area encompasses three urban and seventeen rural municipalities that occupy territory of 2,564 km² and population of 321,437 inhabitants. The region has average population density of 125 people living in km². Taking into account the OECD methodology for classification of rural areas (less than 150 people per km²) this region can be considered as rural.

### 2.1 Municipalities description

Municipalities representing the Sharra region have many similarities over their geographical structure. They all settled on the massive of the Sharra Mountain, have big forest potential, diverse hydro network and economic activities mainly in the fields of agriculture and food production.

The selected municipalities are peripheral to their countries and all of them have common problems and needs for development such as infrastructure, economy, human potentials etc. In accordance to the above mentioned ABD criteria and indicators considered in the selection of the regions, they have the necessary characteristics to create cross-border area for common development.

#### 2.1.1 Macedonian municipalities

The Municipality of Jegunovce is placed on the north-west part of the Republic of Macedonia. It borders with the municipalities of Tearce in west, Želino on south and Saraj on south-east side. On its north-west part, the municipality borders with Kosovo - Shtrpce Municipality. Municipality of Jegunovce has an area of 174 km² that include seventeen (17) settlements.

Tearce Municipality is located in the north-west part of Macedonia, placed in the base of mountain Sharra, including a large field of Polog Valley. On the west side Tearce Municipality borders with two municipalities from Kosovo – Prizren and Shtrpce. On its south side, Tearce border with the Municipality of Tetovo, and on the north-east site with the Municipality of Jegunovce. The municipality has a territory of 136.5 km² and covers the territory of thirteen(13) settlements.
From Macedonian side the region is covering an area of 229 km² populated with 33,617 inhabitants and density of 108 inhabitants per km². Review of municipalities’ characteristics is given in Table 2.

**Table 2: Review of Macedonian municipalities in the Sharra cross-border region**

<table>
<thead>
<tr>
<th>Sharra cross border area</th>
<th>Population (2010 year)</th>
<th>Area (km²)</th>
<th>Density (per km²)</th>
<th>Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Municipality of Tearce</strong></td>
<td>22,742</td>
<td>137</td>
<td>166</td>
<td>Brezno; Dobroste; Glogji; Jelosnik; Lesok; Neprosteno; Neraste; Odri; Prsovce; Prvce; Slatino; Tearce; Varvara</td>
</tr>
<tr>
<td><strong>Municipality of Jegunovce</strong></td>
<td>10,875</td>
<td>174</td>
<td>63</td>
<td>Mountain settlements: Belovište; Vratnica; Staro Selo; Rogacevo; Jazince; Orašje Flat settlements: Žilče; Jančište; Jegunovce; Kopance; Podbrege; Preljubiste; Raotince; Ratae; Siričino; Tudence; Semshov</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>33,617</td>
<td>311</td>
<td>Average 108</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration

2.1.2 **Albanian municipalities**
The District of Kukës as one of the thirty-six districts of Albania, has an area of 938 km² and is placed among the mountains of northern Albania. It consists of one urban and fourteen rural municipalities. Main characteristic of this area is the hidro system (watershed) that provides big potential for development of the area. The district borders with the Districts of Has on north, County of Diber with District of Diber on south, County of Leze with District of Mirdite on south-west and County of Shkoder with District of Puke on the west side. On north-east the municipality borders with the Municipality of Prizren and on east with the Municipality of Dragas, located in Kosovo.
The area has total population of 61,934 inhabitants and density of 67 inhabitants per km². Municipality review is provided in Table 3.

**Table 3: Review of Albanian municipalities in the Sharra cross-border region**

<table>
<thead>
<tr>
<th>Sharra cross border area</th>
<th>Population (2010 year)</th>
<th>Area (km²)</th>
<th>Density (per km²)</th>
<th>Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Kukes</td>
<td>61,934</td>
<td>930</td>
<td>66.6</td>
<td>Urban municipality – Kukes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Rural municipalities:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Arrën, Bicaj, Bushtricë, Grykë-Çaje, Kalis, Kolsh, Malzi, Shishtavec, Shtiqën, Surroj, Tërthorë, Topojan, Ujmisht and Zapod</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61,934</td>
<td>930</td>
<td>Average 66.6</td>
<td>Source: Own elaboration</td>
</tr>
</tbody>
</table>

2.1.3 **Kosovo municipalities**

The Municipality of Prizren is located in south-west Kosovo covering an area of 640 km². It shares its borders with Albania in the west, the Municipality of Dragash in the south, Macedonia in the southeast and the Municipality of Shtrpce in the east, the Municipality of Suhareke in the north-east, the Municipality of Rahovec in the north and the Municipality of Gjakove in the north-west.

The entire territory of Dragash Municipality is located in mountain area. It is placed on the western part of the Sharra Mountain in Kosovo, Koritnik Mountain and the mountain Gjalic and Cylen. The Municipality of Dragash is neighboring the Municipality of Prizren on its north side, Macedonia on the south-west side and the District of Kukes on its south-west side, covering an area of 435km².

Municipality of Shtrpce encompasses an area of 247,36 square kilometers and is situated on the northeast part of the Sharra Mountain and the upper part of the Lepenac river valley. Municipal borders almost overlap with borders of Sirinich Valley. Border lines are made of the mountain massive of the north-east part of the Sharra Mountain and its branches: Oshljak, Kodzha Balkan, Zhar and Jezerska Mountain. In immediate neighborhood are municipalities of Uroševac on north, Kačanik on east side, Suha Reka on north-west and Prizren on south-west side. On the south-east part, the municipality is bordered by Macedonian municipalities, Tearce and Jegunovce. The area has total population of 14,451 with density of 171 inhabitants per km². Table 4 provides review of the municipalities in Kosovo.
Table 4: Review of Albanian municipalities in the Sharra cross-border region

<table>
<thead>
<tr>
<th>Sharra cross border area</th>
<th>Population (2010 year)</th>
<th>Area (km²)</th>
<th>Density (per km²)</th>
<th>Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality of Prizren</td>
<td>177.870</td>
<td>640</td>
<td>278</td>
<td>The City of Prizren and 74 villages</td>
</tr>
<tr>
<td>Municipality of Dragas</td>
<td>33.584</td>
<td>435</td>
<td>77</td>
<td>The town of Dragash and 35 villages</td>
</tr>
<tr>
<td>Municipality of Shtrpce</td>
<td>14.451</td>
<td>248</td>
<td>58</td>
<td>Shtrpce and 15 villages</td>
</tr>
<tr>
<td>TOTAL</td>
<td>225.905</td>
<td>1.323</td>
<td>Average 171</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration

2.2 Area description – Land structure of the cross border area

The Sharra Mountain has a total area of 1.600 km² belonging with 56.25% of its land in the Republic of Macedonia, 43.12% in Kosovo, and 0.63% in Albania. It has very rare animal and plant species, as well as nature that need to be protected and sustained.

The cross-border area is positioned on agricultural land as well. The Municipalities of Tearce and Jegunovce occupy part of Polog Valley which is one of the most developed agricultural regions in Macedonia and lie on the banks of the river Vardar. The Municipality of Shtrpce takes part form the Lepenac river valley, which is also suitable for agricultural production while the municipality of Prizren takes part from the Prizren Valley.

There is an abundant and dense river network in the Sharra area, mainly consisted of small, local rivers that can be used as local attractions and weekend tourist places. Several big rivers run through its territory: the Drin River and Vardar.
3 Quantified description on the current situation

3.1 Description of the current situation showing disparities, shortcomings and potential development

3.1.1 Historic review of cooperation within the region

During the past, municipalities coming from the three countries have shared common territory, politics and social life. The area is characterized with cooperation between the areas since the Otman period. There was the Vilayet of Kosovo which included the current territory of Kosovo and the western part of the FYR of Macedonia, encompassing the Kukes district as well. The history under the Ottoman Imperia developed common values and similar traditions, among the ethnicities living within the border of the Sharra.

Despite the fact that people shared same values and territory recent past shows that communication and cooperation were not an issue between municipalities in this region. The relations within the region have been stopped for more than 50 years, as a result of politics that have been present in the selected countries. This has resulted in slow regional development that is coming to the fore in the period after 1991. In this period, Republic Albania changes its political system and transforms in democracy that is oriented towards Europe, or better, towards European standards and trends. At the same time the transformation and break of Yugoslavia took place which slowed the cooperation within the region for an additional decade. The final break of Yugoslavia resulted with creation of new states – FYR of Macedonia and later, Kosovo.

After the break of Yugoslavia, FYROM and Kosovo have started to create their own state structures and implement their own independent politics and political systems. This change of the social and political systems in all three countries marks the start of the regional cooperation and communication. The beginning of these activities, strongly influenced the region, providing opportunities for development of common markets and joint approach to foreign markets.

3.2 The general socio-economic context of the geographical area –

3.2.1 Population

Except location, municipalities share a specified degree of uniformity in terms of their current situation, socio-economic drivers (i.e. shared cultural and social history, socio-economic linkages and dynamics, similar geographic and demographic traits, etc.), and infrastructural development, institutional capacities as well as natural resources.

Detail description over region demographics will be given in the following section. Regarding the fact that latest official statistical data from the municipalities in the area are mainly not available\(^6\), information might be incomplete, but they are still comparable and are in accordance with the current situation in the region.

One of the main elements for socio-economic development of one area is the structure of its population. According information presented in Figure 1, fluctuation in number of population in the municipalities from the Sharra Mountain Area is small, with no trends of growth or reduction in population in the last five years.

\(^6\) There has been one unsuccessful census in Republic of Macedonia in 2011, latest statistical data from the State Statistical Office are from 2002. In Albania, the census was performed last year, but the data are processing, so the latest official statistics are from 2001. Kosovo performed census on its territory in 2011 but the official statistics are still not completed and published for public use. The information about municipalities’ current statistics is gained from municipalities, by request, in order to satisfy project needs.
The most populated municipality in the region is the Municipality of Prizren. In comparison with other municipalities from the programme area, the Municipality of Prizren is more than double populated. As second most populated is the District of Kukes that in the last five years shows small changes in the number of population. However, it must be taken into consideration the fact that most of the citizen have been migrating toward Albanian main economic developed cities, and their existence as municipal population is only in official documents. The least populated and developed municipalities in the region are the Municipalities of Jegunovce and Shtrpce.

The Sharra Mountain region is mainly characterized with population aged between 15-64 year (Table 5). This population considers being municipalities’ labour force, and for that the potential for economic development of the region is very high. Exception from this is Kukes, where there is a balance between the numbers of people that are economically active, with the ones that are not. It is encouraging that the number of productive population in the Municipalities of Tearce and Jegunovce is more than double,

Table 5. Population age structure

<table>
<thead>
<tr>
<th>Age structure</th>
<th>Population between 15-64 years old</th>
<th>Population below 15 and above 64 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kukes</td>
<td>28,007</td>
<td>33,927</td>
</tr>
<tr>
<td>Prizren</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Dragas</td>
<td>7,050</td>
<td>N/A</td>
</tr>
<tr>
<td>Tearce</td>
<td>17,009</td>
<td>5,733</td>
</tr>
<tr>
<td>Jegunovce</td>
<td>7,735</td>
<td>3,139</td>
</tr>
<tr>
<td>Shtrpce</td>
<td>10,000</td>
<td>4,451</td>
</tr>
</tbody>
</table>

Source: Tearce and Jagunovce: State Statistical Office, Kukes: State Statistical Office; Prizren, Dragas and Shtrpce: OSCE official document. Note: for Prizren the data was not available. For Dragas the data for population below 15 and above 64 was not provided.

The biggest birth rates in the region are noticed in Prizren but they have decreasing trend in the last three years. This trend might be result of two factors: the migration and the change in the aspects of tradition regarding the family. Even the number of birth in Tearce is small; it notes continuous growth in the last three years. Information regarding births is provided in Figure 2.
There is also positive trend on the net rate of the municipalities natural change but in Kukes is still declining, noticing change in 2010 where in comparison with 2009 is increasing. The net rate in Prizren is constantly decreasing in the last three year while net rate movement in Tearce as well as in Jegunovce is discontinuous, and is result of the number of mortgages. Figure 3 shows the movement of the net rate of the natural change.

3.2.2 Gender

Gender population in the region is almost equally distributed On regional level 49% percent of the total population are women, while men are represented with 51%. This ratio is present in all municipalities from the three countries. The population structure is provided in Table 6.
Table 6: Population gender structure

<table>
<thead>
<tr>
<th>Area</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total number</td>
<td>%</td>
</tr>
<tr>
<td>Kukes (2010)</td>
<td>30,659</td>
<td>49.5</td>
</tr>
<tr>
<td>Prizren (2010)</td>
<td>90,035</td>
<td>50.82</td>
</tr>
<tr>
<td>Dragas (2010)</td>
<td>16,960</td>
<td>50.5</td>
</tr>
<tr>
<td>Shtrpce (2010)</td>
<td>7,000</td>
<td>48.44</td>
</tr>
<tr>
<td>Tearce (2002)</td>
<td>11,502</td>
<td>51.30</td>
</tr>
<tr>
<td>Regional level</td>
<td>161,403</td>
<td>50.36</td>
</tr>
</tbody>
</table>

Source: Kukes, Jegunovce and Tearce: State Statistical Office. Kosovo municipalities: local sources

On regional level 49.64% of the total population are women, while men are represented with 50.36%. The difference between man and women is less than 1% at regional level. Only the smallest municipalities shows difference between gender with 3%.

3.2.2 Net Migration rate

There is a trend of continuous negative migration that is happening in the municipalities in the last three years. Data presented in Figure 4, give review of the net migration rate and state the situation in the region for the last five years.

![Figure 4: Net migration rate of population](source)

Biggest change in population structure is happening in Kukes. Starting in 2007, there is a big migration of population from this district towards Tirana and Durres. Habitants of Jegunverce are also continuously migrating from the municipality and this rate is continuously growing over the years. For instance, Tearce notes negative migration rate just in 2010. The capacities of the municipalities are low in terms of financial resources and management and local economic development and they cannot provide all the necessary living conditions in order to reduce migration rates and secure population growth.

3.2.3 Ethnic composition of the population

Other characteristic specific for the region is its multi-ethnicity. In general the ethnic diversity should be an asset, but in the case of Sharra region it can be mostly seen as a challenge and reason for the slow development due to political presence and recent military events. The ethnic diversity is still of integration of people into the communities and the societies. As mentioned in previous chapters there are seven different ethnic groups living in the municipalities of the selected area. Most ethnic
diverse municipalities are the ones coming from Kosovo. Table 7 present the ethnical structure in the region.

Table 7: Ethnic structure in the Sharra cross border region

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Macedonian</th>
<th>Albanian</th>
<th>Serbs</th>
<th>Bosniak-Gorani</th>
<th>Roma</th>
<th>Turkish</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>%</td>
<td>total</td>
<td>%</td>
<td>total</td>
<td>%</td>
<td>total</td>
</tr>
<tr>
<td>Kukes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Prizren (2002)</td>
<td>0</td>
<td>0</td>
<td>14583</td>
<td>82</td>
<td>0</td>
<td>0</td>
<td>29369</td>
</tr>
<tr>
<td>Dragas</td>
<td>0</td>
<td>0</td>
<td>20150</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>13433</td>
</tr>
<tr>
<td>Shtrpce</td>
<td>0</td>
<td>0</td>
<td>4500</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>9914</td>
</tr>
<tr>
<td>Tearce (2002)</td>
<td>2739</td>
<td>20,1</td>
<td>18950</td>
<td>84,4</td>
<td>7</td>
<td>0,03</td>
<td>9594</td>
</tr>
<tr>
<td>Jegunovec (2002)</td>
<td>5963</td>
<td>35,26</td>
<td>4452</td>
<td>41,11</td>
<td>109</td>
<td>1,4</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: Municipality sources. Note: Data for the ethnic composition of the population for Kukes was not provided.

3.2.6 Education

Education is of an extraordinary importance for the socio-economic development of the region, for the simple reason that it is the major path towards a qualified labour and higher productivity. At the same time, this is one of the main components of achieving sustainable development and cooperation. Following is a detailed review of the education sector in the Sharra region.

a) Education system

The educational system in Republic of Macedonia and Albania has the same structure. There is four level educational system composed from kindergardens (pre-school), primary school, secondary school and university. In Albania, the attenment of the primary educational programmes is obligatory while in Macedonia the primary and the secondary education are compulsory. This creates a literacy rate of above 90% in these two countries.

The educational system in Kosovo, has different organizational structure. There is five level educational system composed from kindergardens (pre-school), elementary education, lowers secondary education, higher secondary education and university. According age structure of pupils and the educational programmes offered in the higher secondary schools, they corespond with the secondary schools in Macedonia and Albania. Respectively, lower secondary scools corespond to primary schools.

For easear approach and clearer presentation of data from the education sector, the division will be four-level, placing lower level secondary together with primary education and higher level secondary with in the rage of secondary educational school programmes. Regarding this structure, Table 8 present the number of educational institution and students that are present in the municipalities respectively.
Table 8: Number of educational institutions and students in the Sharra Mountain area

<table>
<thead>
<tr>
<th>Education (2010/2011)</th>
<th>Kindergartens</th>
<th>Primary schools</th>
<th>Secondary schools</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of institutions</td>
<td>Number of kids</td>
<td>Number of institutions</td>
<td>Number of pupils</td>
</tr>
<tr>
<td>Kukes (2010)</td>
<td>50</td>
<td>2,500</td>
<td>84</td>
<td>/</td>
</tr>
<tr>
<td>Prizren</td>
<td>1</td>
<td>120</td>
<td>73</td>
<td>1.266</td>
</tr>
<tr>
<td>Dragas</td>
<td>/</td>
<td>/</td>
<td>35</td>
<td>382</td>
</tr>
<tr>
<td>Shtrpce</td>
<td>/</td>
<td>/</td>
<td>8</td>
<td>690</td>
</tr>
<tr>
<td>Tearce</td>
<td>/</td>
<td>/</td>
<td>8</td>
<td>1,931</td>
</tr>
<tr>
<td>Jegunovce</td>
<td>/</td>
<td>/</td>
<td>16</td>
<td>984</td>
</tr>
</tbody>
</table>

Source: Jegunovce and Tearce: State Statistic Office; Dragas, Shtrpce and Prizren: Ministry of education, science and Technology; Kukes: municipality survey

According to the information provided by the municipality, the District of Kukes has seventeen (17) high schools and no university. However the number of students is not known but it can be estimated to approximately 5,000 students (both in primary and secondary education).

Prizren is the university educational centre in the area. Two branches of the Prishtinë/Priština University are also located in Prizren, the Faculty of Education and the Faculty of Information Technology. Due to the ethnical and language diversity in the area, education programs in these faculties are offered in Albanian, Bosnian and Turkish.

There are 73 primary schools and 11 high schools in the municipality of Prizren. There are also two special education schools for children with mild mental disabilities and with hearing and speaking disabilities.

According to OSCE information pre-schools in Prizren (kindergartens) are privately owned and they are mainly divided according ethnicity. The correct number of these institutions is not defined, but is known that there is one multi-ethnic kindergarten in the city of Prizren, opened by NATO in 2002.

The ratio between primary and secondary schools shows that population is literate, acquiring basic language skills in elementary schools, but compared with advanced education (secondary and university) the number of students and institutions is small. Therefore, it can not be said that the population is highly educated. In huge quantities this affect on the economic, more particularly on the industrial development of the region where professional/vocational knowledge is needed. This situation is valid for the entire region of Kosovo selected for this programme.

There is one integrated bilingual secondary school in the Municipality of Jegunovce (Macedonian and Albanian). This educational institution is established by decision of the Ministry of Education and Science of Macedonia. Currently there are two classes operating in the school with around 40 students. The rest of the students are obtaining the high school education in the high schools in the Municipality of Tetovo.

There are no secondary schools in Tearce but even if secondary educational programmes are not implemented, population provides this education mainly in Tetovo, Gostivar and Skopje and this is not an obstacle for now due to the nearness and road infrastructure that exists between them. There is an initiative in Tearce for opening a secondary school, but it hasn’t been realized yet.

Most of the schools in the Sharra Cross Border Region are public and financed through the government, but several private schools have also been opened.

Over the years, continuous growth of students enrolled in the higher education programmes is happening. This is result of the availability of educational institutions and the decreasing of the restraints of women attending schools, as well as the raised awareness over the benefits of the education.
β) Vocational education

Gaining vocational skills and competencies in the Sharra Region is done through education and training programmes offered in public and private schools. There are high schools that are providing vocational programs to students in the area of low and economics, electrical and mechanical engineering, manufacturing of textile, tourism and trade. Programmes and entities that will provide vocational education to individuals practically do not exist, excluding FYRM.

In the last year there is an ongoing implementation of such trainings implemented by the Employment Service Agency in Republic Macedonia. The Agency has identified the industrial sectors where shortages of labour have appeared, and as result vocational programmes are implementing on the state territory. Direct beneficiaries of this programme are citizens of Tearce and Jegunovce to whom this programmes are also available.

According stakeholders, the vocational training in the region is developed to meet the needs of the employed people. As presented in Table 9, almost 50% of the stakeholders have declared that there are no vocational trainings for unemployed and their current needs are not satisfied.

Table 9: Existence of vocational trainings in the Sharra area

<table>
<thead>
<tr>
<th>Type of programme</th>
<th>Programmes for employed</th>
<th>Programmes for unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>%</td>
<td>26.32% 26.32% 26.32% 0.00% 21.05%</td>
<td>47.37% 21.05% 10.53% 0.00% 21.05%</td>
</tr>
</tbody>
</table>

Source: Stakeholder survey

To improve this situation, analyses and report for training assessment should be done in order to identify vocational training needs on local level and design and implement training programmes.

Biggest problems among population are appeared in the field of finance, where businesses, particularly family businesses and farmers, find hard to manage with their assets. The need of implementing training for book-keeping is evident due to the fact that 85% of the population is agricultural oriented and more than half have finished only basic level (primary school) of education.

There is also a training need, more in form of informational meeting where people will be familiarized with the subsidies that the states are offering, local and regional programs for development, IPARD and other programmes available to them.

γ) Development agencies

There are three state agencies for developing of SMEs that covers the region: Agency for promotion and entrepreneurship in Macedonia (located in Tetovo), Small and Medium Enterprise Support Agency in Albania (located in Kukes) and Regional Development Agency - RDA South in Kosovo (located in Prizren). The missions of these agencies are to facilitate and strengthen the economic development of the areas and to be the catalysts and the coordinators for all development projects. In addition, the agencies are focused on building up capacities and strengthening the skills of economic entities and their workforce as well as public sector personnel that deals with economic issues.

In Tetovo, there is also an Enterprise Support Agency (ESA) that assists in the process of establishment and development of small and medium sized enterprises (SMEs) in order to increase the economic prosperity of the region. Direct beneficiaries from this agency are also companies located in Tearce.
and Jegunovce that belong in the Tetovo Region of this programme.

There are two types of education disparities within the region: first is the level of education and the second are the possibilities that the education is offering in terms of equipment and infrastructure. Education indicators point out the large differences in the infrastructure facilities existing in the school buildings, disparities in terms of staffing of schools, percentage of inclusion in the secondary education, as well as the rate of students that continue with their education.

### 3.3 Economic drivers

Economic drivers on every economy present the industrial sectors that have the main contribution and influence towards market development and increasing of population wealthy. These are usually sectors that provide the biggest incomes and employment rates. Here, economic drivers will be identified according the number of employment they are producing.

Analyzing the information from the municipalities, the main sectors providing biggest employment rate in the Sharra Mountain area are presented in Figure 4.

**Figure 4: Top five sectors with employment in the Sharra Mountain region**

42% of the municipalities have answered that agriculture is the main economic sector that provide opportunities for employment, 32% considered education sector and 26% emphasized livestock breeding, administration or private sector as most employment generating sectors.

Municipality of Prizren has the highest number of registered businesses in the region (7,431). The three rural municipalities Shtrpce, Tearce and Jegunovce have registered less than 500 businesses. Municipality of Dragash has a little bit more registered businesses (828) while the entire District of Kukes has around 1,000 registered businesses.

The Region is characterized with presence of many family and micro businesses in the fields of agriculture or trade and do not have capacities to generate bigger employment nor to substantially develop the undertaken business. SMEs are very important part of local and interregional economy and are considered as base for economic growth and development in all three countries. However, they are not in a position to generate progress and development.

There are few assumptions for the reasons of this situation 1) the fact that the population lacks proper entrepreneurial training and knowledge, 2) underdeveloped economy that is present in the area have a negative influence over registering a new business and 3) no stimulation in terms of support, tax releases or financial support from local or central government. One of the alternatives to overcome this situation is the increased cross-border cooperation among businesses and between people. By such interactions people and businesses will be able to exchange experiences and practices, to do networking that will contribute to increase their market range which will ultimately result with opening viable businesses,
The employment structure of Sharra cross-border region is presented in the table below.

Table 10: Employment in the Sharra cross-border area

<table>
<thead>
<tr>
<th>Employment structure</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kukes</td>
<td>6,181</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>Prizren</td>
<td>Around 5,200(^a)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Dragas</td>
<td>Around 1,050(^b)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Shtrpce</td>
<td>1,000</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Tearce</td>
<td>1,825</td>
<td>1,409</td>
<td>416</td>
</tr>
<tr>
<td>Jegunovce</td>
<td>2,860</td>
<td>1,573</td>
<td>1,287</td>
</tr>
</tbody>
</table>

Source: State statistical office, municipality profile for Kosovo; OSCE municipal profile

The reasons for high unemployment rates in the target area can be found within the bad economic situation, lack of investments and underdeveloped capacities of the local administration. There is an urgent need for opening new working opportunities and this can be achieved through establishment of attractive investment conditions at local level and development of investor friendly legislation and local tax framework.

The survey and the discussion with the stakeholders generated information that there are around twenty different industry sectors operating in the region. Heavy industry is not present among them. Figure 5 presents sectors that are developed or are in the process of development on regional level.

3.4 Performance of the main economic sectors

There are a few essential economic sectors that form the heart of the economic activity in the Shara cross-border area. According Figure 6, the current five economical pillars for development in the region, pointed by stakeholders, appear to be agriculture, livestock breeding, trade, catering services and tourism- as the least developed sector, but with future potential to become one of the most important.
3.4.1 Agriculture and livestock breeding

The region is abundant with natural resources that provide excellent conditions for development of the agriculture and the livestock breeding. The arable and fertile land, as well as the diverse hydrographic characteristics of the region, makes the area suitable for cultivating different agricultural crops.

On the Macedonian side, the Polog Valley is one of the most developed agricultural regions in the country. It enters with one part within the region of Shara cross-border area, as a part of the Municipalities of Tearce and Jegunovce. This valley lies on the banks of the river Vardar, which is the biggest river in Macedonia and this river provides water for the plantations in the region.

On the Kosovo side, part of the Lepenac river valley enters within the borders of the municipality of Shtrpce. Part of the Prizren Valley enters within the borders of the municipality of Prizren. The fertile land and the geographic position of the valley, as well as the climate that prevails here, make the agriculture one of the main occupations of the population that lives there.

Agriculture, as a main occupation of the rural settlements in the region also dominates, as well as livestock breeding.

The agriculture plantings on the Albanian side mostly dominate in the area around the Lake Koman. Here the land position and the climate provide conditions for developing the agriculture, as well as the livestock breeding.

Common characteristic of the region is that the settlements are mostly rural and the agriculture is mainly traditional, focused on production of crops which the population cultivates them with years behind. The plants that are mostly planted are the cereal and the forage crops, as well as potatoes. The traditional production means that small farmers lack of the appropriate skills and knowledge for using modern methods and new technology in the production process.

On all three parts of the cross-border region the advantages lie in the fact that these areas are non-polluted and the people do not intensively use fertilizers. There are neither factories nor bigger cities that can cause big pollution.

The region is also abundant with pastures and forests, which provides excellent conditions and potentials for development of agriculture and livestock breeding. Table 11 presents the land structure of the region.
Agriculture in the region is most developed industry branch but regarding world agricultural trends it is in the beginnings of its development. Intensive production of traditional products (potatoes, apples, beans and onion) is characteristic within the area. Natural conditions that prevail in the region, like climate conditions, land composition and low pollution rate, provide the opportunities for diversification of the agricultural production. These conditions provide opportunities for organic production as well. As new world trend, demand of organic products is increasing every year and because of the special conditions required for processing this food, current market demand can’t be satisfied. This opens new window for agricultural economy diversification and positioning on world markets. The Table 12 presents the most produced crops in each municipality, in the region.

<table>
<thead>
<tr>
<th>Table 11: Land structure of Sharra region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Kukes</td>
</tr>
<tr>
<td>Prizren</td>
</tr>
<tr>
<td>Dragas</td>
</tr>
<tr>
<td>Shtrpce</td>
</tr>
<tr>
<td>Tearce</td>
</tr>
<tr>
<td>Jegunovce</td>
</tr>
</tbody>
</table>

Source: Municipality sources; Jegunovce: municipality official web site; Tearce: Emigration Agency of Republic Macedonia

The region has excellent conditions for livestock breeding. Most of the farmers have small herds of sheep or cattle. The livestock breeding is organized in small family owned farms using old fashioned/traditional ways of animal breeding. Potentials for development of livestock breeding are in the increasing of the number of herds and introduction of new technologies, opening of slaughterhouses and trade with meat and dairy products. The region has also potentials for development of poultry, considering the fact that this meat is frequently present in the everyday diet of the population. Moreover, the demand this meat is present at national level in all three countries which is a significant indicator for attracting investments.

Although the agriculture and the livestock breeding are developed in the region, they are mostly represented by small farmers that produce small production quantities that do not satisfy market needs.

These can be seen through the following tables, that present the land of planted agricultural plants and the quantities produced.

### Cereal production

The statistical data about the area planted with cereals is presented in the Table 13. According to
the data, the most planted cereals are wheat and corn. The other cereals are represented with small, insignificant part of the total cereal production.

Table 13: Land of planted cereals

<table>
<thead>
<tr>
<th>Planted cereals (in ha)</th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>4.860</td>
<td>96.5</td>
<td>80</td>
<td>685</td>
<td>750</td>
<td>1.176</td>
</tr>
<tr>
<td>Corn</td>
<td>3.590</td>
<td>/</td>
<td>500</td>
<td>590</td>
<td>910</td>
<td>/</td>
</tr>
<tr>
<td>Barely</td>
<td>260</td>
<td>40</td>
<td>/</td>
<td>3</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>Oat</td>
<td>45</td>
<td>45</td>
<td>/</td>
<td>/</td>
<td>7</td>
<td>172</td>
</tr>
<tr>
<td>Rye</td>
<td>160</td>
<td>45</td>
<td>/</td>
<td>2</td>
<td>3</td>
<td>430</td>
</tr>
</tbody>
</table>

Source: Municipal statistics

The data in the Table 18 below presents the quantity of produced cereal. The highest quantity produced is from wheat and corn, while the other cereals are produced in much smaller quantity.

Table 14: Quantity of produces cereals

<table>
<thead>
<tr>
<th>Production of cereals (in tonnes)</th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>15.680</td>
<td>/</td>
<td>/</td>
<td>2.176</td>
<td>2.411</td>
<td>5.421</td>
</tr>
<tr>
<td>Corn</td>
<td>13.642</td>
<td>/</td>
<td>/</td>
<td>3.183</td>
<td>6.640</td>
<td>/</td>
</tr>
<tr>
<td>Barely</td>
<td>824</td>
<td>/</td>
<td>/</td>
<td>6</td>
<td>58</td>
<td>12</td>
</tr>
<tr>
<td>Oat</td>
<td>90</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>15</td>
<td>347</td>
</tr>
<tr>
<td>Rye</td>
<td>240</td>
<td>/</td>
<td>/</td>
<td>4</td>
<td>8</td>
<td>960</td>
</tr>
</tbody>
</table>

Source: Municipal statistics

Vegetables

Even though the region have common climate and arable land conditions, the farmer tradition in each municipality is different, so each municipality plants different amount and different types of vegetables. For example, farmers from Municipality of Prizren mostly grow peppers while population from Jagunovce and Tearce mostly grow potatoes. The area planted with vegetables and their productions in the region are presented in Table 19.
Table 15: Types of vegetables and quantity produced

<table>
<thead>
<tr>
<th>Vegetables</th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pepper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>360</td>
<td>1</td>
<td>3</td>
<td>57</td>
<td>32</td>
<td>/</td>
</tr>
<tr>
<td>production (t)</td>
<td>7.920</td>
<td>/</td>
<td>/</td>
<td>504</td>
<td>451</td>
<td>/</td>
</tr>
<tr>
<td>Tomato</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>250</td>
<td>1</td>
<td>3</td>
<td>47</td>
<td>18</td>
<td>/</td>
</tr>
<tr>
<td>production (t)</td>
<td>5.000</td>
<td>/</td>
<td>/</td>
<td>411</td>
<td>266</td>
<td>/</td>
</tr>
<tr>
<td>Potatoes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>150</td>
<td>120</td>
<td>100</td>
<td>320</td>
<td>116</td>
<td>556</td>
</tr>
<tr>
<td>production (t)</td>
<td>2.700</td>
<td>/</td>
<td>/</td>
<td>7.098</td>
<td>2.689</td>
<td>12.235</td>
</tr>
<tr>
<td>Cabbages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>78</td>
<td>1</td>
<td>15</td>
<td>44</td>
<td>37</td>
<td>/</td>
</tr>
<tr>
<td>production (t)</td>
<td>1.995</td>
<td>/</td>
<td>/</td>
<td>1.251</td>
<td>844</td>
<td>/</td>
</tr>
<tr>
<td>Watermelon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>160</td>
<td>/</td>
<td>/</td>
<td>6</td>
<td>31</td>
<td>/</td>
</tr>
<tr>
<td>production (t)</td>
<td>4.000</td>
<td>/</td>
<td>/</td>
<td>150</td>
<td>2.512</td>
<td>/</td>
</tr>
<tr>
<td>Onions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>130</td>
<td>/</td>
<td>2</td>
<td>22</td>
<td>11</td>
<td>/</td>
</tr>
<tr>
<td>production (t)</td>
<td>1.170</td>
<td>/</td>
<td>/</td>
<td>151</td>
<td>139</td>
<td>/</td>
</tr>
<tr>
<td>beans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planted (ha)</td>
<td>/</td>
<td>/</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>174</td>
</tr>
<tr>
<td>production (t)</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>8</td>
<td>6</td>
<td>732</td>
</tr>
</tbody>
</table>

Source: Municipal statistics

Forage crops

From the forage crops, in the Sharra Mountain cross-border region, mostly grown are the hay and the alfalfa. Their planted areas and the production quantity are presented in the Table 16.

Table 16: Land planted and quantities produced of forage crops

<table>
<thead>
<tr>
<th>Forage crops</th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hay (planted in ha)</td>
<td>/</td>
<td>15</td>
<td>2500</td>
<td>/</td>
<td>/</td>
<td>6.211</td>
</tr>
<tr>
<td>Hay (production in t)</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>86</td>
</tr>
<tr>
<td>Alfalfa (planted in ha)</td>
<td>/</td>
<td>40</td>
<td>1000</td>
<td>415</td>
<td>447</td>
<td>/</td>
</tr>
<tr>
<td>Alfalfa (production in t)</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>6.094</td>
<td>1.526</td>
<td>/</td>
</tr>
</tbody>
</table>

Source: Municipal statistics

Orchards

The region is also known for production of fruits under orchards. The most cultivated orchards in the area are presented in the following table.
### Table 17: Land of planted fruits and quantities produced

<table>
<thead>
<tr>
<th></th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area (ha)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sour cherry</td>
<td>/</td>
<td>/</td>
<td>2</td>
<td>1,09 (4838 trees)</td>
<td>5,17 (1400 trees)</td>
<td>/</td>
</tr>
<tr>
<td>plums</td>
<td>/</td>
<td>2</td>
<td>100</td>
<td>16,18 (27390 trees)</td>
<td>38,67 (4940 trees)</td>
<td>210</td>
</tr>
<tr>
<td>apples</td>
<td>/</td>
<td>5</td>
<td>200</td>
<td>2,59 (21995 trees)</td>
<td>9,45 (31070 trees)</td>
<td>121</td>
</tr>
<tr>
<td>pears</td>
<td>/</td>
<td>1</td>
<td>50</td>
<td>4,13 (2665 trees)</td>
<td>4,70 (3410 trees)</td>
<td>35</td>
</tr>
<tr>
<td><strong>Production (t)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sour cherry</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>19</td>
<td>24</td>
<td>/</td>
</tr>
<tr>
<td>plums</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>571</td>
<td>179</td>
<td>1875</td>
</tr>
<tr>
<td>apples</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>398</td>
<td>1539</td>
<td>1744</td>
</tr>
<tr>
<td>pears</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>39</td>
<td>125</td>
<td>356</td>
</tr>
</tbody>
</table>

### Livestock breeding

Livestock breeding and poultry are present in every municipality of the region. Livestock breeding is characterized by small herds of sheep, cattle and goats while poultry production is insignificant in comparison to the needs of the population of the region. The sheep breeding is present in the mountain parts of the region while other are livestock breeding is dispersed all over the region. The most significant livestock breeding and meat production part of the region is the District of Kukes. The statistics from the livestock breeding in the municipalities are presented in Table 18.

### Table 18: Number of livestock breeding in the municipalities from the Sharra region

<table>
<thead>
<tr>
<th>Livestock breeding</th>
<th>Prizren</th>
<th>Dragash</th>
<th>Shtrpce</th>
<th>Jegunovce</th>
<th>Tearce</th>
<th>Kukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>cattle</td>
<td>7,000</td>
<td>8,400</td>
<td>2,933</td>
<td>2,796</td>
<td>3,883</td>
<td>29,000</td>
</tr>
<tr>
<td>sheep</td>
<td>12,000</td>
<td>25,200</td>
<td>5,500</td>
<td>1,358</td>
<td>7,960</td>
<td>68,000</td>
</tr>
<tr>
<td>Goat</td>
<td>1,000</td>
<td>30</td>
<td>700</td>
<td>702</td>
<td>662</td>
<td>24,000</td>
</tr>
<tr>
<td>horses</td>
<td>850</td>
<td>500</td>
<td>/</td>
<td>76</td>
<td>280</td>
<td>/</td>
</tr>
<tr>
<td>Pigs</td>
<td>300</td>
<td>/</td>
<td>1,513</td>
<td>2,879</td>
<td>965</td>
<td>1,800</td>
</tr>
<tr>
<td>poultry</td>
<td>20,000</td>
<td>/</td>
<td>/</td>
<td>18,900</td>
<td>22,482</td>
<td>139,500</td>
</tr>
</tbody>
</table>

Source: Municipal statistics

Measures for improving life in rural areas have been taken by the local and central governments in the last years, in form of subsides and credits with smaller interesting rates. Most attractive is the IPARD program that is providing assets for development and diversification of rural economy in FYRM since 2010. IPARD is in the process of preparation on the territory of Albania.

### 3.4.2 Production industry

The production industry is also present in the region. This present is most evident in Prizren and Dragash municipalities. Most important are the garment factory (Printeks), the synthetic fiber factory (Progres), producers of kitchen and imitation jewelry (Famira), construction enterprises, producers of preserved fruit and vegetables and producers of shoes, black metal and silver products. Today most of these factories have lowered their employment and production capacities due to the economic crises. Some of the factories that were operating before the military conflict in Kosovo were not re-opened.
District of Kukes has only two factories that produce food, sausages and dairy products. Jegunovce has companies that operate in the area of ferro alloys, limestone mining and apparel. Production capacities in Tearce are food oriented, producing flour and bakery products as well as wood processing, aluminum processing and production of dry plasters.

Most of the operating capacities belong in the field of light industry and do not harm nature and do not provide big quantities of waste. Regarding the fact that part of the territory of the Sharra Mountain is national park and that there is an initiative to declare National Park on the entire territory of Sharra Mountain, the lower pollution rates are from big importance.

One of the production industries with biggest potential is the wood processing Industry. Covering more than 2.000km of area with forests and low vegetation, Sharra area has a large number of trees that can be used as raw material for developing of wood-processing industry. Wood-processing industry may perform processing of controlled trimmed trees, paper manufacturing, briquettes and other products that as basic raw material in its composition have the tree. Briquettes and pellets have great market potential because it is demanded by households and businesses mainly working in service industry.

The potentials for development can be further stimulated by the open democratic political systems that are building common framework for regional development as well as with the European programmes for development that are also contributing for the improvement of the relations and communication of the countries, respectively of the municipalities within the region. As areas located on the borders of the countries they present the main link and are the pillar for further development of their relations. Currently active programmes that contribute to promotion of regional cohesion and competitiveness and strengthening economic system and relations, are the CBC Programmes between Kosovo-Albania and Albania-Macedonia.

3.4.3 Catering services

The region is abundant with many restaurants, cafés, tea shops and small markets. These are mainly small and family owned companies but due to their large number, they present important economic sector in the region. Entities operating in this sector engage a significant number of workforces and respectively generate important income for the region and local taxes for the municipalities.

There are modern style facilities as well as traditional ones. Such diversity makes catering services as attractive for visitors of the region.

3.4.4 Trade

Trade is present by the small family companies that are active through the region. In some municipalities (Prizren and Kukes) even 40% of the companies operate in the field of trade. Companies mainly operate with food, clothes, souvenirs, office equipment, IT and other mainly households required equipment.

There are activities related to trade with agricultural products, which are more extensive on local rather than national or international level. Currently there is no organized local approach of selling locally produced product on other markets.

The trade activities in the region are mainly locally oriented. There are many entities that are operating in the area of trade and they are mainly small family shops which activities are focused on selling food, wardrobe, auto parts, and souvenirs.

The potentials for food processing and trade with local agricultural products have big significance for the region. The capacities for production give the area an opportunity to develop its trade activities to wider markets, areas and countries where the agricultural products can be exported.

Small shopping centres are also missing in the municipalities that are part of the area. The existence of such trade facilities can be of great importance for development of the region.
3.4.5 Tourism
From day to day communication with stakeholders and survey results, tourism is not one of the current economic sectors that is producing incomes and employment in the Sharra cross border region, but it has the biggest potential. There are around 20 hotels that are operating in the Sharra region. Table 19 shows the number of hotels and restaurants in the area.

Table 19: Hotels and restaurants in the Sharra cross-border area

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Hotels</th>
<th>Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kukes</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Prizren</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td>Dragas</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Tearce</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Jegunovce</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Shtrpce</td>
<td>12</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: municipality sources

Also there are huge potentials for building mountain houses that will attract visitors in the mountain areas during the year. Currently there is one mountain house - Ljuboten, located in the Municipality of Tearce with more than 1,300 guests over the year. The number of overnights in this accommodation facility is a strong indicator about the interest of the tourists for mountain and alternative tourism. Stakeholders suggested initiatives regarding attraction of investments in this field.

Tourists in the region are mainly businessman but they are also locals that are practising alternative or sport tourism as well as visitors coming from the neighbouring regions. The significant number of tourist is present during the summer period. The tourist profile consists of the Diaspora from the region. Foreign visitors are mainly from Belgium, Germany, Turkey and Austria. There is also a significant number of tourists due to leisure and mountain activities.

Tour operators, as well as tourist info points exist in the urban municipalities from the region, but they do not provide effective services related to promotion of touristic capacities and products within the region. They are mostly focused on provision of booking air flights and organizing tours abroad. Such situation prevents tourists from acquiring information related to local and regional touristic offer and decreases the possibility for them to get introduced with the local monuments, history and values of the region.

Opportunities arising from the relief of the region for tourism development are large and allow establishment of various tourist packages that can be implemented through the year.

Following are the types of tourism that have potential to be developed in the region.

a) Alternative Tourism

This type of tourism avoids nature harming and pollution, considering that small developments need to be done in order to develop it. This type of tourism is mainly intended for attraction for tourists which are set in villages or communities. This tourism can be referred to green-eco tourism, sustainable tourism, adventure tourism etc. Within these types of tourism local available resources such as local accommodation infrastructure, local entertainment, local arts, local travel and local attractions (places to be seen) as well as local food and local beverage products play vital role.

Analyzing the awareness of the potentials for development of alternative tourism among stakeholders, results presented in Figure 1 show that they have very high level of awareness regarding current and potential resources. Rating the importance from 1 - meaning not relevant at all, to 5 - meaning very relevant, the data show the current (c) resources are not appropriately used and that their importance in future is coming more evident. (potential-p). Stakeholder awareness over local food and beverage products and cultural heritage, monuments and sites as main current and potential resources for development of alternative tourism is provided in Figure 7.
Figure 7: Importance of local food and beverage products and cultural heritage, monuments and sites as current and potential resources for alternative tourism development

![Graph showing importance of local food and beverage products and cultural heritage, monuments and sites as current (C) and potential (P) resources for alternative tourism development.]

Source: Stakeholder survey

**b) Rural tourism**

The region is mainly rural and the rural settlements dominate in the countries. Old houses, local customs, tradition and clean environment that prevail in these areas combined with local food prepared on local way can attract large number of tourists. Together with the mountains, local rivers and springs as well as the canyons, the area has ideal conditions and natural resources for development of the rural tourism. Results from the stakeholder survey also indicate rural tourism as a segment with big potential for development that is currently not being practiced. By rating the importance of current (c) and potential (p) resources for rural development from 1 - meaning not relevant at all, to 5 - meaning very relevant, it can be seen that 50% of stakeholders evaluated the current potentials with 2 (meaning relevant), 50% with 3 (more relevant). All of the respondents reported positive attitude towards the potentials of the resources for future development of rural tourism, evaluating it with 5 (very relevant). Figure 8 presents results from survey about these issues.

Figure 8: Importance of current and potential resources for rural tourism development

![Graph showing importance of current and potential resources for rural tourism development.]

Source: Stakeholder survey

**c) Mountain tourism**

Attracted by the eco-systems (clean air, unique landscapes and wildlife) culture and history as well as the recreational opportunities that mountains in the programme area are offering, tourists can be common occurrence. The Sharra Mountain together with Koritnik Mountain and the mountain Gjallic and Cylen located in Kosovo and mountains of northern Albania make one natural mountain system. Having different characteristic, in terms of climate, altitude, flora and fauna, attached with numerous rivers and two men make lakes that are between them, the area can attract larger number of tourists. Mountains are also suitable for development of different sports like: climbing, mountain bike (four cross, downhill and cross country), skiing, paragliding and other more or less extreme sports.
δ) Cultural and religious tourism

Different nations and religion supplemented with different customs and tradition make the Sharra area culturally diverse region. The area is rich with history interwoven with the Christian and Islamic culture that prevails in this region.

The area is rich with many Christian and Muslim monuments. The Islamic impact in the regions is significantly more noticeable represented with large number of mosques, harems and baths from the Ottoman period.

Christian monuments are less frequent in the Sharra region. However, many of these charges have high values in terms of architecture and art and have status of national cultural monuments originating from XIII to XIX century.

The different traditions that originate from different ethnic structure, offer diverse selection of traditional prepared food made from local products, different customs and holidays. Tangled together the region may represent attractive tourist destination.

e) Sport tourism

The structure of the area land provides possibilities for development of many extreme sports and sports for recreation. Mountain climbing, mountain biking and paragliding can be available to tourist during the whole year.

Mountains offer animals hunting and wild birds watching, while manmade lakes and rivers offer fishing that can also be developed in this area.

The isolation of the area from the frequent and more populated areas together with the natural conditions is also suitable for development of recreational and sport-preparation centres where sportsman can have their trainings.

φ) Winter tourism

The region has extraordinary geographical and climate conditions for development of winter tourism with primary focus on skiing. Sharra Mountain was well known skiing centre during the period of Former Yugoslavia. Moreover, during that period two ski centres were constructed – Popova Shapka (FYRM) and Brezovica (Kosovo). The main issue that has to be resolved with these ski centres is the ownership status. They are still property of national governments which somehow presents a burden for further private investments. From the Albanian side, rural municipality of Shistavec have also a small ski centre. This facility has potentials for further investments and development. The region has also other locations for skiing where development initiatives are present. For example there is an ongoing development of ski centre in the Municipality of Dragash (Village of Brod). Considering the positive terrain characteristics and climate conditions (the ski terrains are covered with snow for more than five months) this type of tourism can become the main generator of the touristic sector.

3.5 Environment and waste management

The environment of the region has valuable natural potentials, climate features and untouched nature that need to be protected. The region has one natural park and several protected zones. The main characteristic of the natural resources are the large surfaces covered by forests and pastures and big water potentials. Most of these resources are presented under the above chapters. Here the analyses of these resources is done through the aspect of their contribution of the to the environment and bio-diversity of the target area.

3.5.1 Bio-diversity and eco-systems

Due to the mountain massive and the water resources network, the climate in the region is not homogenous, taking mainly three types of climate zones. The continental climate prevails in the
region, while in the upper parts of mountains there is a presence of the alpine climate with snow for up to 280 days during the year. Mediterranean climate appears in Kukes and Prizren valleys, as result of the warm Adriatic draught that comes through the Drim River. The region generally has high temperatures in summer and low during the winter days. The climate characteristics have strong impact on the presence and evolution of regional flora and fauna.

**Sharra Mountain** - brings together 1,500 species of flora and most famous are: Shara tea (Siderites scardica), fir (linus peuce), Sharplaninska rumenka (nthihilpus scardica), Sharplaninski kostolom (nothecum scardicum), Sharplaninski Carnation (dianthus scardicus), and Albanian lily (ilium albanicum). High forest belt consists of oak, beech and spruce. The flora in the environment is represented by beech forest and open areas represented in many medicinal herbs (St. John's wort, thyme, mountain tea and yarrow) and berries (wild mushrooms, lisicharki, wild strawberries, rose hip, dogwood, and blueberry). Much of the forests are declining due to increased logging in Shara region, where some estimates that reaches up to 50,000 cubic meters per year of which nearly 30% are illegal logging. This causes large erosions in the area. The fauna in the Sharra cross border area is indigenous to the relict endemic. Among numerous species of birds found in the list of rarities is Golden Eagle (aquilla chrisaetos), white eagle on stains, gray falcon (falkoperegrinus), owl (bubo bubo), partridges, etc. and from mammals: bear (ursus archos), lynx (lynx lynx), wild boar (sus strota), chamois (rupicarpa rupicarpa), wolf (canis lupus), wild rabbit (lepus europeus), fox (vulpes vulpes), etc. Known brand in this region is the dog “Šarplaninac” characteristic in appearance and its size.

The territory has also reptiles. Most important is the snake “Poskok” that is one of the natural rarities.

**The Shishtavec area** is composed of many pastures, caves, and rare endemic plants and animals. The Kruma Highlands also offer beautiful landscapes, fresh air and is a favourite summer destination for local inhabitants. Environmental awareness concerning the need to protect and enhance the environment as part of an eco-tourism development plan has grown dramatically among the region’s residents in the past few years.

**Mount Koritnik** is one of the main mountains in Dragash municipality with the richest biodiversity and affords amazing views over the Sharr Mountains to the east and the Accursed Mountains in Albania to the west. The heavily forested mountain transitions are abundant with high altitude fields prevail filled with flowers in the spring and mushrooms in the fall.

### 3.5.2 Solid waste and waste water management

**α) Solid waste management**

Solid waste management is local government competency. Each municipality has responsibility and duty to properly treat the communal waste in its borders. Still, the waste is partially managed on the entire territory of the cross-border region. Most of the municipalities are collecting the waste and dispose it into dump sites that are not equipped and that do not process the waste properly. The waste has been placed at irregular dumpsites and without any standards. There are also illegal dump sites on the peripheries of each residential areas created by local citizens or often dumped into the nearest rivers.

A regional landfill for solid waste management is in a process of construction in the Polog Planning Region. Municipalities of Jegunovce and Tearce will be part of this system. There is also an initiative in Prziren for opening of a landfill that will be in the capacities to accept waste coming from the entire municipality.

Rivers and other water resources in the area are exposed on the pollution of this waste. The lack of efficient solid waste management system can destroy the balance of eco-systems and the water quality that is mainly used for irrigation of agricultural surfaces and drinking.

**β) Waste water management**

Waste water management is partially treated. The waste water network at municipal level is old and
inefficient. Mostly it covers the urban areas and bigger rural settlements. Some of the waste water networks are equipped with filter stations while the rest are simply draining the waste water to the nearest river basins. Lack of effective systems for solid waste and liquid waste management are one of the few shortcomings typical for the region. The region disposes its solid waste on irregular landfills and with no standards. Rural communities very often dispose solid waste illegally, right next to the river basins which harm the quality of water and soil alongside the rivers. Waste water management is mainly functional in urban centres, but the rural communities discharge the waste water in nearest rivers without any filtration. This also influences over the pollution of the environment and harms the bio and eco-systems in the region.

There are some attempts for solving these problems but permanent and effective solution is not present in the entire region at the moment. The only concrete activity regarding establishment of a standardised regional landfill is noticed in Valley in Polog. Location for this landfill has been selected, financial resources secured (through national governmental programmes) and the preparation of the public procurement procedures are in progress.

3.6 Rural economy

The rural economy is an integral and important part of the economy in every municipality from the Sharra region. The households’ main economic activity is production of agricultural products, organized through family owned registered or unregistered businesses.

The agriculture sector along with the live-stock breeding sector, alone are hardly to be in a position to create additional employment opportunities according to the existing increasing rate of rural labour force and at the same time to sustain the livelihood of the rural households. Most evident problems that these sectors are facing with are:

- Lack of market analyses over agricultural product needs
- Production of traditional agricultural products
- Continuous use of intensive agricultural
- Poor agricultural production equipment
- No industrial production
- No value and supply chains

To improve live standards and strengthen their economy, municipalities must start to initiate planning of development of various potential rural, non-farm activities. Certain specific comparative advantage in terms of their development possibilities needs to be identified and viewed as an instrumental approach for reducing the emerging problems of increasing un-employment and poverty in these areas as well as to stop migrations out of the municipalities. Supply chains need to be identified and value chains created among stakeholders in this industry sector.

3.6.1 Developed sectors other than agriculture

Rural areas have opportunities for the development of entrepreneurship linked with the promotion of products quality, connection with nature and traditional culture, quality of natural beauty and other potentials that are present. These potentials and opportunities for development must be clearly defined with the strategy for local development.

The dominant non-agricultural economic activities that exist within the region are: trade, production sector, catering services (hotels and restaurants). These sectors were elaborated in the section Performance of the main economic sectors.

3.6.2 Barriers to creation of employment opportunities

Development of rural entrepreneurship can be determined by the economic conditions of rural regions and the characteristics of rural entrepreneurs. Obstacles for development of rural economies
and creation of employments opportunities can be seen from both sides. In one hand they can be obstacles imposed from geographical and political conditions in the area and on the other, these can be obstacles that the inhabitants are creating themselves.

Obstacles arising from population are mainly from low level of confidence and self-esteem they have due to the low educational rates and market uncertainty. The lack of vocational programs that will develop management and marketing skills among population as well as lack of availability of information are also disadvantages that influence over opportunities for employment.

Difficulties experienced in the transition period, that all three states have been into, have made population sceptical in terms of self-employment or business ownership, particularly in these rural areas, where economic development is not one of governmental priority issues.

Language barriers, ethnic discrimination, vulnerability and isolation are also often main reason why taking entrepreneurial risks is not common in the Sharra region. Some entrepreneurs from ethnic minority backgrounds also argue that the term ‘ethnic minority entrepreneurs/business’ is a barrier to success on the market.

Lack of touristic capacities is another barrier for developing and producing employments as stated before, Hotels exist in Prizren, Dragash, Shtrpce, Tearce and Kukes. The district of Kukes has only 13 small hotels located (six located within the city, two near the Lake Koman and the rest on the territory of the rest 14 municipalities). The same illustration can be used for the rest of the municipalities from Kosovo and Macedonia (Jegunevce Municipality has no hotels). The number of these infrastructures is small and the hotel facilities are not providing standard touristic services.

Here are some of the barriers for creating employment opportunities and development of entrepreneurship in the region:

α) Location

Being placed on the margins of their countries, selected municipalities from this area have been exposed on very little developmental measures. Being rural areas, municipalities are exposed, relatively speaking, on “discrimination” from their countries, which is resulting with big migration rates towards countries economic centres and abroad.

β) Lack of management skills

The Region is also facing lack of qualified and experienced staff for management and enforcement of development initiatives at local and regional level. The lack of skilled personnel is identified within the municipal administration as well as the central government institutions which are present within the region with its branch offices. This weakness challenges the processes of creation and implementation of effective development projects.

γ) Lack of institutional support for foreign and domestic investment in border regions

The primary focus of the national programmes related to foreign and domestic investments are mainly targeting the capitals and other big urban centres while the bordering regions are not listed as priority areas for investors. The regional institutions and local governments have limited competencies regarding this issue and this are mainly in the spheres of land management and communal taxes. Such position of the local authorities cannot have big influence on the decisions of the investors. The other barriers are long administrative procedures and low local governmental efforts that also make municipalities unattractive for investments. At the moment there are no special programmes that will provide favourable conditions, mainly through cutting costs, and support foreign and domestic investors.

δ) Road infrastructure, transportation network and interconnectivity

Municipalities in the Sharra region differ drastically in terms of transport, mobility and road infrastructure network. At a cross – border regional level, the development varies by countries and municipal development. Urban municipalities have good road infrastructure that connects them
with capital cities and provides continuous transit of people in and out of the municipalities. This is especially emphasized in Kukes, Prizren and Dragash. They also have developed public transportation networks that connect municipalities with other living areas. There is only one railway in the regions, passing through Tearce, connecting FYRM and Kosovo. However, this railway is not functional due to political and economic reasons. Despite this, municipalities like Jegunovce and Strpce have local roads and transport mainly takes place with citizens' own vehicles and rarely with vans and buses.

The stakeholders were unanimous in their statements that this disparity has to be overcome or reduced. Measures such as reconstruction and construction of transport and communication networks need to be introduced to inure further development of the transport and communication system. Additional adaptation of the traffic network has to be considered according movements of the main transport generators, passengers and transportation of goods. Finally, measures aimed at improving the communication and transportation at national and international level (cross-border level) have to be implemented in order to secure movement of people and goods.

3.6.3 Dependence on financial resources

Even municipalities from the Sharra come from three economically different developed countries; they share the same financial ratings. Areas are targeted as highly risk and due to this there is low availability of financial resources. Exclusion is Prizren, as most developed municipality and second economical driving force in Kosovo. Financial institution as well as local governments hasn't been proactive in order to change this and provide to interested parties the required financial assets.

The common characteristic all over the region is the lack of sufficient governmental financial resources for support of local authorities in their efforts to improve economic situation and increase economic power of the municipalities. This is reflected with small scale of investments in opening new businesses and infrastructural interventions.

There are also big differences in the citizens' economical (financial) power inside the municipalities in the selected region and between them. Most of the people in the cross border area have lack of financial resources which can be confirmed by the high unemployment rates (more than 35%). Small scale of business investments contributes to the emergence of big unemployment rates.

The stage of development of the existing business in the Region presents a weakness as well. The Region is characterized with presence of many family and micro businesses. Those businesses are in the fields of agriculture or trade and do not have capacities to generate bigger employment nor to substantially develop the undertaken business. They don't have long-term plans and established strategies for development. Companies operate and manage their everyday activities with already established traditional management practices and are rarely interested for improvement of their skills and knowledge. Only small percentage of them (less than 10%) are developed companies with proper management structure.

In order to overcome barriers, local governments of the rural areas need to have policies that will stimulate entrepreneurs to start new businesses or to improve the capacities of the existing ones. These policies should provide easy access to finance and education programs that will be in according with market needs.
3.6.4 **Micro business formation**

Companies located in the selected area are mainly micro and small private companies, funded by entrepreneurs with their own funds. They mainly operate in agriculture and trade but industrial capacities are also present. The following table presents the data for registered businesses in each municipality.

*Table 20: Number of registered business:*

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Number of registered businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kukes (2010)</td>
<td>1,046</td>
</tr>
<tr>
<td>Prizren (2011)</td>
<td>7,431</td>
</tr>
<tr>
<td>Dragas (2011)</td>
<td>828</td>
</tr>
<tr>
<td>Shtrpce (2011)</td>
<td>282</td>
</tr>
<tr>
<td>Tearce (end of 2010)</td>
<td>450</td>
</tr>
<tr>
<td>Jegunovce (2012)</td>
<td>220</td>
</tr>
</tbody>
</table>

Source: Association of Kosovo municipalities; municipality survey: Kukes, Tearce and Jegunovce

There are 7,431 registered businesses in Municipality of Prizren. The biggest number from them is small trade businesses – 7,356 (99% of businesses), medium enterprises are 67 (0.0090%), whereas bigger enterprises are in small number, only 8 of them (0.001%). Over 88% of the entrepreneurs have started their businesses with their own funds while only 1.8% has taken loans from the banks. The major activities of micro enterprises in the Municipality of Prizren are: services (40%), trade (31%) and production (27%). Around 83% of business entities in Prizren employs between 1 and 5 persons. The number of these employments includes the owner of the company. Businesses are mostly family owned and they present 87% of total established companies in Municipality of Prizren.

The Municipality of Dragash has 828 registered companies that employ around 1,500 people from the municipality. Most of the companies are micro businesses operating in the fields of trade, textile and tinsmith.

There are 282 registered private businesses operating in the Municipality of Shtrpce. Most of the businesses are micro and small businesses operating in the field of trade and agriculture. There is no reliable data on the number of employed in private sector in Shtrpce.

The County of Kukes has registered around 666 companies that are operating on the market and that present 0.5% of total enterprises opened in Albania. Information about the number in the Municipality of Kukes are not available but taken the ratio of the county, 44.74% operate in trade, 13.66 in construction, 6.9% in industry and 2.25% in agriculture.

The municipality of Tearce has industrial capacities like wood processing, bakery and tinsmith industry. The municipality has 450 small and medium enterprises. Some of the industrial capacities are built on agricultural land that has impacted over the environment and the availability of farm lands. There are also initiatives for building of mini hydroelectric capacities on the five rivers that are running through the municipality.

Municipality of Jegunovce has 220 micro and small enterprises mainly operating in agriculture, construction, textile and apparel industry, mining and production of ferro – alloys. There are around 3,160 employees in the municipality.

3.7 **Description and gap analyses of the provision of services in rural areas**

Provision of services can be divided on two types: 1) services provided from the public sector and 2) services provided from the private sector. Services from the public sector are provided by the central and local governments to its citizens through branches of their institutions. Branches are
mainly placed in urban municipalities, while in rural municipalities there are counters that provide only basic services. Most common services provided by central and local governments in the Sharra cross-border area are education, healthcare and social services.

Kukes and Prizren have Hospitals that are fully equipped and take care for the health of their inhabitants. Rural municipalities have ambulance that offer basic healthcare services and intervene in emergencies.

In the area of Kosovo (Prizren, Dragas and Shtrpce), citizens coming from different nationalities do not have the same possibility to use healthcare services. The regional hospital in Prizren offers its services to approximately 250,000 residents that are mainly Albanians. Serbs in the area have access to the primary health care facilities in village Mušnikovo that are run by Serbians. For secondary health care services, they have to visit hospitals in Shtrpce or Mitrovica.

Problems related to provision of healthcare services are:

- Lack of access to health care
- Lack of medicine and equipment
- Lack of educated stuff in healthcare
- Policy and guidance for delivering a health care system

There are no private healthcare institutions in the region. Due to population economic situation and political situation there are no private hospitals operating.

Education services are state-provided with coordination of local governments. Unlike the healthcare institutions, there are educational institutions that are private and exist in Prizren. Private kindergartens are operating in Prizren but their number is not defined. Problems related to educational services are:

- Lack of educational institutions
- Lack of educational programs
- Inappropriate facilities and equipment

Social services are related to provision of additional incomes to socially incapable persons and taking care of children without parents and without parental care.

Problem related to services from the public sector in the Sharra cross border region are:

- Lack of institutions
- Hard institutional availability
- Lack of information for services they are providing
- Policy and guidance for delivering a social care system

The corps of private services is consisted of touristic services, transportation, primary healthcare, education services, catering services and repairmen services. There is a significant number of private service providers with average number of above 2,000 business entities all around the region. The division of the service providers cannot be done due to lack of information. According to the stakeholder survey, the provision of services of private sector is on low level but it is constantly improving.
3.7.1 Provision of water and electricity

Urban and rural municipalities form the Sharra cross-border region have all access to potable water and electrical systems. 100% of households living in these areas are connected with electricity and have potable water directly to their homes, but the infrastructure that is connecting to the systems is old and investments need to be done in order to replace and improve the networks.

3.7.2 Transportation services and road infrastructure

Transportation activities in the region are relying on bus transportation provided as public transportation and car as private transportation means. 68% from surveyed stakeholders have answered that they have bus as public transportation means in their municipality while the percentage of minibuses is 11% and is very small. Most used transportation vehicle are cars that are privately owned. Surveyed stakeholders that have answered that there is train used as transportation, come from Jegunovce as the only municipality in the Sharra region connected with this type of transportation infrastructure.

Low rate of transportation services offered in the region is result of the bad road infrastructure that is prevailing in the Sharra cross-border area. Underdeveloped road network and poor road infrastructure hinders the communication between neighboring municipalities. There is a highway that connects Kosovo and Albania, which connects these two countries and facilitates the communication between them. There is no highway that connects Macedonia and Kosovo, but there is an attempt in near future to build one. This road will not be passing through the Sharra region, but will facilitate the transportation and communication between the citizens coming from the region. There is no road connection between Macedonia and Albania in this region.

Problems connected with transportation services are:

- Undeveloped road infrastructure network
- Old infrastructural network
- Lack of public transportation means

Unlike the road infrastructure, municipalities have developed broadband infrastructure. All of them have access to internet services offered by local and regional operators.

3.8 Cultural and natural heritage

There is an explicit difference between the municipalities in the region in terms of the culture and cultural activity which are realized in an institutional framework only in the urban areas. The cultural institutions, such as cultural centres, workers' universities and youth centres are almost always located in the municipal centres.

Despite the fact that the Sharra cross-border region in predominantly Albanian, ethничal structure and differences in tradition and culture are the biggest disparity among population. There are more than 6 ethnical cultures living in the Sharra cross border area, having own traditions, languages and styles of living: Albanian, Macedonians, Gorans, Serbs, Turks, Roma and Bosnians. Also, there are two religions that are prevalent throughout the region - Muslim and Orthodox. Differences coming from religious commitments are quite prominent within the cross-border area and often result with smaller conflicts that commonly occur within the regions. These religion disparities are more evident in Macedonian and Kosovo municipalities where most of the populations are Muslims.
The cultural values from the region are big and unique. They present a fine mixture based on the interaction of different cultural, social, religious and ethnic influences. The culture in the region is one of the strongest assets for development and attracting of investments, especially in the field of tourism. There are many cultural monuments and locations with invaluable importance. There are cultural monuments that originates from the ancient period as well as medieval and ottoman period.

The area also has abundant natural resources, represented by rivers, manmade lakes and mountains which make the area attractive.

Cultural and Natural resources are detail presented in Annex 2.

3.9 The main results of previous activities operations undertaken with Community and other bilateral or multilateral assistance, the financial resources deployed

There are many activities undertaken by the European Union, OSCE, UNDP and other international donor organization in the region, in order to strengthen economies and cooperation in the transiting countries, part of the Sharra cross-border region. These activities are mainly consisted of financial assets provided by the organizations in order to create and implement particular projects that will contribute towards improvement of their social condition.

<table>
<thead>
<tr>
<th>Program</th>
<th>Cooperation</th>
<th>Financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPARD (2007-2013)</td>
<td>European Union -Macedonia</td>
<td>65,7 million Euros</td>
</tr>
</tbody>
</table>

*Description:
This is a pre-assessing fund available to Macedonia from the EU oriented towards development of rural tourism and diversification of rural economy. The program has started/has been opened in 2007 but start to implement in 2010, having 5 calls for financial support until now.

Financial resources of the program are estimated on 65,7 million Euros, of which 85% is provided by the European Union (45,5million) and the remaining 25% of central government in Macedonia (15,2 million).

<table>
<thead>
<tr>
<th>Program</th>
<th>Cooperation</th>
<th>Financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border cooperation program</td>
<td>Macedonia – Albania supported by EU</td>
<td>4,995,000 Euros (for 2012)</td>
</tr>
</tbody>
</table>

*Description:
The agreement for implementing the Cross-Border Cooperation program between Macedonia and Albania is signed in 2011 when it has started implementing. The overall purpose of the CBC program is to promote cooperation between the population and the institutions in the border areas, in order to enhance economic development, preservation of environment and sustainable social cohesion. The program is financed by IPA funds with 85% and 15% from states own contribution Until now, two calls for proposals have been announced for these program.
<table>
<thead>
<tr>
<th>Program</th>
<th>Cooperation</th>
<th>Financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border cooperation program</td>
<td>Kosovo – Albania supported by EU</td>
<td>2,823,530 (2010-2011)</td>
</tr>
</tbody>
</table>

**Description:**
The agreement for implementing the Cross-Border Cooperation program between Kosovo and Albania has started to implement in 2012. The overall objective of this program is to promote cooperation between people, communities and institutions in the bordering areas and to foster the sustainable development, stability and prosperity of these areas in the mutual interest of Kosovo and Albanian citizens as well as to strengthen technical support. The program is financed by IPA funds with 85% and 15% from states own contribution and until now, one call for proposals have been announced for this program.

<table>
<thead>
<tr>
<th>Project</th>
<th>Cooperation</th>
<th>Financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania-Kosovo Highway Project</td>
<td>Albania -Kosovo</td>
<td>600 million Euros (during implementation has reached 1.4bn Euros)</td>
</tr>
</tbody>
</table>

**Description:**
In February 2010, the Government of Kosovo has announced the highway project, known as the Morine-Merdar motorway. The aim of the project is to connect both countries and make access more easy. The road runs from Morine (Albania border) to the capital of Kosovo, Pristina. The project is being financed by the governments of Albania and Kosovo.

<table>
<thead>
<tr>
<th>Project</th>
<th>Cooperation</th>
<th>Financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase of economic cooperation in the Macedonia-Albania cross-border region</td>
<td>Macedonia-Albania</td>
<td>30.166 Euro</td>
</tr>
</tbody>
</table>

**Description:**
In cooperation with the MEDF (Macedonian Enterprise Development Foundation) with cooperation of the 20 women enterprises in the region of Struga, as well as other enterprises, organizations for support to entrepreneurship, local self-government and civil society organizations will be part of the project implemented by MEDF in partnership with the Center for Change and Delegation of the European Commission in Republic of Macedonia. The objectives are to increase cooperation and commercial exchanges between business community at the cross border area between Macedonia and Albania; to create a supportive environment for the development of women SME/SMI at the cross border area between Macedonia and Albania; and to promote business women enterprises at the cross border area between Macedonia and Albania.
4 Strategic Plan for development of Cross – Border Sharra Region

4.1 Strategic Planning Process

The Strategic plan for development of the Sharra Cross Border Region is a result of the synergic work of the Regional Stakeholders Group, developed thorough the process of participatory planning and the implemented ABD methodology.

The planning process was realized in a cycle four workshops and consultations between April – June 2012.

The overall assessment of the Region commenced prior the workshops were initiated and it was concluded after the end of the second workshop. The collected information was presented before the Stakeholders Group during the following meetings in order to provide their input about priorities and directions for development of the Region. The work of the Group was organized in thematic groups. Participatory tools such as surveys, interviews, etc. were used in this process as well with the purpose to assess the overall situation and define the Priority areas and develop the Strategic Framework. The meetings were attended by approximately 40 participants from the Region: half of them were local governments’ representatives, 20% representatives of the private sector and 30% participants representing civil society.

The draft plan was developed upon completion of the participatory planning process. It was based on the generated information during the research process and the secured feedback from the stakeholders group and the survey respondents. The document defines the Regional needs and provides Strategic goals for satisfying these needs, followed by objectives and activities.

The Strategic Framework presents an organized vision and declaration of the future development activities of the Cross – Border Region and provides a guide for the process of implementation. It is a foundation for project initiatives that enhance the achievement of strategic goals in priority areas.

The strategy framework has been designed with a defined vision of Sharra region, five priority areas and a SWOT analysis for each priority area. Based on the identified strengths and opportunities of each priority area and taking into consideration its weaknesses, development goals were set. The goals are supported by strategic objectives. Each objective shall be realized by set of activities which are elaborated in Chapter 5 (Action Plan Framework).

4.2 Vision

The agreement achieved during the planning process related to the principle for developing a Shared Vision was that it should reveal the peoples views and their aspirations for the future of the Region. The vision is a result of the input of stakeholders and is based on the findings of the baseline assessment, the SWOT analysis of the priority areas and the rest of the activities. The Shared Vision which emerged from the consultation process is the following:

*Sharra will be economically developed region with rich tourist and cultural tradition in rural areas through a modern infrastructure in a clean environment and integrated communities.*

The achievement of the vision in the reality will need many joint efforts of all the people of the Region. The development of the Cross – Border Region of Sharra will be steered by the Strategic Plan for Development and the complementary Strategic Planning. The implementation of the strategic plan will be done by an implementing structure – unit.

The Strategy was developed on principles and values which regional Stakeholders consider as central. The Strategy is, therefore, underpinned by the sustainable approach and guiding principles set out below.
4.2.1 A sustainable approach to Regional Development

The Strategy has an important legislative basis reflecting national and international commitment to a sustainable approach to accommodating growth within the Region. This principle is steadily founded in the National laws for balanced regional development and the IPA Programmes for Cross – Border Cooperation. The document intends towards accomplishment of a balanced and sustainable development by the achievement of three fundamental goals:

- economic and social cohesion;
- conservation and management of natural resources and the cultural heritage; and
- more balanced competitiveness of the area.

The Plan also aims to secure support for the joint work across national borders of the regional stakeholders to develop an integrated approach to regional issues.

The doctrine of securing sustainable development is fixed in the guiding principles. The centre of the Strategy is the principle of securing a better quality of life for the citizens, by seeking to meet the four objectives of sustainable development:

- Successful protection of the environment;
- Sustainable use of natural resources;
- Improvement of economic growth and employment
- Social protection and progress which appreciates the needs of everyone.

4.3 Priority areas

Priority areas are the main fields where the strategy can contribute to improvements through dealing with the main challenges or through taking hold of the main opportunities. The priority areas have been identified and selected throughout the process of participatory planning. Information from several factors has been used in the process of defining the priorities:

- Contributions of the stakeholder group through discussions during the meetings as the main factor for designing and selecting the six priorities.
- Responses from the performed surveys (Survey for municipalities and survey for local stakeholders). Information generated from the surveys provided the members of the stakeholder group with an insight and played an essential role in guiding the stakeholders group in the selection of the priorities.
- The elaborated existence of a certain economic development potential in various sectors and the limitations of human, social, physical capital and institutional capacities, presented in the baseline assessment provided solid base to increase the participatory exercise and debates of the SG members.

The stakeholders elaborated the basic local needs though the aspects of public, private and civic sectors. The discussion evolved in a presentation of the strategies and solutions and the alternatives of their inclusion how they could be included and tackled in a regional – cross – border context.

The key priority areas were then defined as follows:

1. Environment
2. Regional Economy
3. Tourism and Culture
4. Regional Infrastructure
5. Agriculture and Rural Development
4.4 The Strategy

Cross – Border Region of Sharra can attain its ambitions by designing a strategy that align the region's strengths and develops potentials to address the opportunities and challenges in the rising economic environment. The major strategies that will shape strategic and action plan are comprised of the following initiatives:

A people and community focused approach – seeks to assemble the future needs of the whole population, and local communities, including the minority ethnic communities and the disabled. This approach aspires to make healthy and supportive environments which assist people to keep their good health and social well-being. It appreciates the fact that local identity is important quality valued by all communities and respects their ambitions to keep positive features of local environments and sustain the diversity of the area.

• Involvement and participation of the community has been essential to the process of the development of the document. Community participation has been vital to secure the preparation of the strategy, which reflects the views and ambitions of stakeholders.

• Community involvement will continue to be a part of the Strategy implementation process and part of the monitoring and review process. Constructive notes from the key stakeholders will assist the process of development of a more cohesive Region.

Achieving a more cohesive Region which is based on:

• equality of prospect and targeting social need – being aware of the fact that the development must be connected to equality and inclusivity, and to more equitable access to the assets for all its people;

• spatial equity and complementarily – recognising the strong interdependence between the parts of the Region and reflecting their needs to achieve a reasonable and sustainable balance of development across the area;

• a partnership approach – recognizing the importance of local cooperation and networks between different parts of the Region and between different communities;

• strengthening community cohesion in the Region – taking an approach to development which respects the sensitivities of a divided community, is supportive to and encourages community interaction;

• sustainable approach to transport – which integrates the communities more closely between themselves and the rest of the country; and an external looking perspective – which recognises the importance of improved linkages between the communities across the border.

Achieving competitiveness based on:

• to invest in intelligence – increasing the level of education, employability and skills of the population;

• to develop accessibility and communications to, and within, the Region, in order to connect the resources of the Region more fully;

• to integrate development with quality of life in order to ensure the Region is increasingly noted for its high quality environmental assets and cultural amenities – assets which will encourage citizens to train and stay in the Region and which are attractive to investors.

An integrated approach to future joint development of the Region based on:

• to strengthen interconnections between regional and local governments to deliver cross-sectoral solutions to complex and inter-related environmental, economic and social issues;

• to develop an inventive and proactive approach to future progress characterised by partnerships and co-operation

• to protect and enhance the environment through an approach to development and policy formation which has the condition of the environment as a central deciding factor

• to facilitate the development of tourism assets on a cross-border basis such as Ohrid and Sharra lakes and shared culture and history

• to strengthen the position of the Region on the world tourist map through development of a positive and welcoming Figure which is built on hospitality and quality products and on
the regional cultural, natural and sporting resources
• to Encourage cross-border networks of economic co-operation and enterprise to encourage rural revitalisation based on cross-border joint initiatives in order to provide benefits in terms of employment, services, infrastructure, and cultural understanding.

4.5 Strategic goals and objectives per priority area

4.5.1 Priority Area: Environment

4.5.1.1 SWOT analysis - Priority Area: Environment

STRENGTHS
• Natural resources / rich and unexploited natural resources
• Biodiversity / Existence of a great wealth of biodiversity
• Existence of indigenous (autochthonous) species of flora and fauna
• Large amounts of water resources - existence of large resources of drinking water
• Large areas covered by forests
• Large area covered with pastures
• Significant areas with unpolluted farmland
• Existence of legal framework (legislation)
• Existence of a National Park (part of Shar Mountain from Kosovo side)
• Existence of strategic and planning documents on environmental protection at local level and for the National Park Mt (Spatial Plan, etc.).
• Protected natural resources (as part of some protected areas)
• Existence of municipal competencies in the field of environmental protection at local level (municipalities)
• Existence of policy initiatives to declare the entire territory of the Shar Mountain as a national park and protected cross-border area
• Interested and active NGOs working on protection and preservation of the environment

WEAKNESSES
• Lack of qualified and experienced staff at local and regional level for management and enforcement
• Lack of funds for recruitment of professional staff for monitoring, supervision and inspection at local level
• Insufficient financial resources from central level to support local authorities in law enforcement
• Inappropriate and disproportionate use of existing financial resources for environmental protection at local and regional level
• Lack of effective systems for solid waste and liquid waste management
• Lack of organized, standardized regional landfills for storage and treatment of solid waste
• A large number of illegal landfills – dumps that are mostly located next to water resources
• Lack of systems for treating and purifying (filtering) of waste water
• Lack of technical documentation related to the protection and management of environmental and waste management (studies, analyses, plans, etc.)
• Inadequate and/or insufficient address of environmental protection issues within the local and regional strategic documents
• Lack of effective cooperation between NGOs and local authorities
• Low number of initiatives for public-private partnership for management and protection of the Environment and treatment of solid waste
• Endangered flora and fauna - endangered indigenous (autochthonous) species
OPPORTUNITIES

- Enforcement of environment protection measures and legislation - laws
- Preparation of strategic planning documents or review of existing and their appropriate implementation (LEAP)
- Identification and valorisation of natural resources and goods in the region and assessment of their practical value (potential) for environmental friendly economic activities (producing healthy food, organic agriculture, agricultural, health, spa tourism, etc…)
- Protection of certain areas such as: sources of drinking water, centers for biodiversity, natural reserves (bio or zoo) and / or developing eco-tourism.
- Classification of pollutants to the environment - Creating a database of pollutants due to their controlling
- Set up stations for monitoring and control of air quality
- Cooperation of municipal, regional and cross-border level to protect and enhance natural resources
- Existence of cross-border cooperation within IPA (CBC IPA) - development and application of projects related to environmental protection
- Exchange of experience and positive practices for environmental protection
- Construction of appropriate infrastructure
- Construction of Landfill (regional landfill in Polog Planning Region - ENG)
- Construction of small collector and filter stations (for sewage water processing)
- Financial decentralization to increase the municipal funds for environmental protection
- Cooperation and financial support to local and regional NGOs dealing with environmental protection
- Improving formal education in terms of strengthening the awareness of environmental protection and use of various media appropriate for this group of students
- Integration of environmental education in informal forms of education in primary and secondary education
- Non-formal education through the activities of NGOs for different age groups
- Strengthening the awareness of journalists and media for the need of an integrated approach for environmental protection

THREATS

- Continuing the trend of pollution - Increasing the number of illegal landfills and increase of the parameters of pollution of soil, water and air.
- Uncontrolled development (in terms of environmental protection) of industry and tourism can cause extensive pollution
- Economic development that is not based on the principles of sustainable development
- Weak capacity of the economy for investment in environmental protection
- Reducing the number of indigenous (autochthonous) plants and animals - some are facing extinction
- Implementation of national strategies go with slow pace - national priorities have another focus (lack of sufficient funding for implementation or inadequate funding of initiatives and projects for environmental protection)
- Solid waste is very low in the region due to high costs for construction of standardized regional landfills

The SWOT analysis above is based on an exercise carried out by stakeholders. It was additionally re-organized by the Regional Consultant, by grouping the different arguments. The analysis pointed out that the priority area Environment holds some of the biggest values. The Region can utilize the capital of unexploited natural resources and biodiversity to use the environment as one of the largely reasonable assets for development. The potential for further protection and management
of the Environment exist due to presence of national legal frameworks, strategic documentation developed by municipalities and some cooperation experience in this area.

The opportunities which have been created by the IPA CBC programme can be used as a basis for sustainable management of the environment and utilization of the natural resources through future cooperative activities.

However, the Region faces shortages with technical and strategic documentation (feasibility studies, technical plans, elaborates, Strategic and Action plans, etc.), financial resources and competent and experienced local administrations for environmental management. The main challenge is the unbalanced and underdeveloped infrastructure for waste management and existence of illegal dumps. The further development of the environment protection can be challenged by the threats of continuation of the pollution trends and the uncontrolled use of natural resources, especially forests as results of the slow and ineffective implementation of national and local environmental protection strategies.

4.5.1.2 Strategic Goals for the priority area: Environment

Strategic Goal 1: Creation of an integrated approach for protection and management of natural resources for the purposes of economic development based on sustainable principles.

Objective 1: Protection of environment and management of natural resources through regional institutional cooperation.

Objective 2: Involve citizens in protection of environment

Strategic Goal 2: Development of an effective system for waste management

Objective 1: Improvement of cooperation for waste water management for protection of water basins with regional character.

Objective 2: Improvement of regional cooperation for solid waste management.

4.5.2 Priority area: Regional Economy

4.5.2.1 SWOT analysis - Priority Area: Regional Economy

STRENGTHS

- Natural resources which through their sustainable use allow diversification of the economy (base for wood industry, food production and food processing, textile industry, energy production, etc.).
- Existence of a climate of increasing the number of small and medium size enterprises (SMEs) and entrepreneurs in the region
- Existence of regional and local institutions to support the economy in the region and next to the region (Tetovo - MK) (offices / departments for local economic development agencies for local / regional development, etc.).
- Existence of strategic planning documents at local level that define local economic development activities (strategic plans for local economic development)
- National Programme for Agriculture and Rural Development (subsidies - support measures for diversification) and IPARD Program (MK)
WEAKNESSES

• Lack of equalized – balanced institutional - political framework for local economic development in the region
• Lack of institutional support for foreign and domestic investment in border regions - lack of harmonization of political visions for economic development at national and local level
• Differing legislation and conditions (between the countries of the region) for foreign investment
• Existence of a large number of micro businesses that had little potential to generate new employment
• Insufficiently developed entrepreneurial skills
• Lack of management skills of owners and business managers
• Inadequate support to local businesses (local, regional and national) - slows down the development of small and medium enterprises
• Indifference to innovation in business
• Weak competitiveness of existing SMEs

OPPORTUNITIES:

• Fiscal Decentralization
• Decentralization in management of construction land
• Increase collaboration between local businesses and scientific and research institutions through creation of networks and other forms of communication - increasing competitiveness and innovation
• Existence of economic chambers and initiatives for cooperation and exchange of information
• Existence of advisory (extension) services in the region
• Existence of opportunities to increase exports by presence of the free trade agreement (CEFTA, WTO)
• Increased access to funding sources
• Potential for creating a common regional brands (unique products and services)
• Support given through Capacity Building Programmes for achieving the EU standards

THREATS:

• Inadequate, uneven and unbalanced credit policy to support small and medium Subsidiaries
• Inadequate, uneven and unbalanced support through a system of subsidies and tax incentives for investment, increased employment, innovations, at regional level (unbalanced approach at national level)
• Slow and weak implementation of national, regional and local strategies
• Lack of systematic support - lack of effective institutions that provide support services to entrepreneurs - lack of quality services that will help to increase their competitiveness
• General level of underdevelopment of the region
• Increased competitiveness with market liberalization

Beside the low economic development, SWOT analyses have indicated that the area has the basic conditions for development and strengthening of the regional economy in terms of existence of local and regional institution that have the aim to support the economic development as well as the presence of long term planning strategic documents. The existence of wide natural resources provides another possibility for development of the region. With proper utilization of resources, couple economic sectors related to tourism, food production and other industries that can improve the regional economy can be developed. Programmes and institutions that support activities (information exchange, networking, capacity building, and trade agreements) that contribute for
economic development are also available for the region. However these resources are not fully utilized in order to benefit the region. Despite this, the lack of equalized –balanced institutional –political framework as well as the legislations are also factors that are not stimulating investors coming from domestic and foreign economies to start their activities in the region. Huge lack of management skills as well as entrepreneurial spirit and low level of risk-taking among the local population also exists. Data from the SWOT show that existing SMEs are with weak capacities and mainly indifferent towards innovation and implementation of new practices.

Development of regional economy is the biggest challenge in the Sharra region. Properly used resources and developed programmes for support of investments can contribute to further economic strengthening of the region and its municipalities.

4.5.2.2  **Strategic Goals for the priority area: Regional Economy**

**Strategic Goal 1:** Create conditions for use of the existing natural and economic potentials for economic development of the region

**Objective 1:** Establishment of a basis for regional economic development

**Objective 2:** Development of regional infrastructure for support of the regional economy

**Strategic Goal 2:** Increase the competitiveness of the region and providing a skilled and educated workforce to the needs of the economy

**Objective 1:** Promoting comparative business advantages of the Region

**Objective 2:** Capacity building of the regional workforce to the needs of the economy

4.5.3  **Priority area: Tourism and Culture**

4.5.3.1  **SWOT analysis - Priority area: Tourism and Culture**

**STRENGTHS:**

- Natural, cultural - historical and communication potentials for development of tourism
- Good geostrategic position of the region and high frequency of cross-border circulation
- Increased number of passengers (transit tourists) in the area of Kosovo and Albania
- Existence of terrains – areas for mountainous, rural, alternative, hunting tourism in the region
- Existence of a number of tourist facilities
- Wealth of cultural - historical heritage, cultural and religious diversity (mosques, monasteries, churches, archaeological sites, monuments, etc.).
- Preserved nature, rural areas and clean water
- Hospitality of the people of the region
- Rich folklore and ethnological tradition
- Authentic cuisine - traditional food
- Existence of the ski centers and infrastructure
- Good road links and easy access to the region
- Existence of national strategies for tourism development
WEAKNESSES:

• Lack of defined, multifaceted tourist offer
• Lack of high quality offer of tourist events
• Lack of well-known and promoted tourist destinations in all three parts of the region (MK, AL, KS)
• Lack of authority that promotes tourism and support individuals and companies in the tourism
• Inexistence of DMO (Destination Management Organization)
• Insufficient use of accommodation capacities
• Lack of standardized tourist offer
• Lack of an integrated tourist offer of the region
• Lack of tourist establishments with international standard facilities
• Insufficient number of sports and recreational facilities (pitches)
• Insufficient communication between museums and cultural institutions (local, regional and cross-border levels)
• Insufficient participation of cultural institutions in creation and recommendation of touristic offer
• Lack of promotion of tourist potentials
• Insufficiently or inadequately protected cultural - historical sites
• Lack of quality cultural events
• Underdeveloped awareness of tourism opportunities
• Poorly maintained and underdeveloped road infrastructure (mainly in the mountain)
• Lack of adequate and equipped transport enterprises (existing are old and have old vehicles)
• Nonexistence of railroads in the region
• Limited knowledge of foreign languages of the people employed in the culture and tourism
• Lack of sufficient number of trained and high quality staff - travel guides, logistics, etc.
• Lack of tourist Figure of the region
• Lack of marketing strategy

OPPORTUNITIES:

• World trends in development and demand for services related to eco, ethno, rural, alternative tourism
• Large number of people transiting through the Region that can become users of touristic services (transit tourist)
• Increased interest of the tour operators for the region and international institutions and funds for investment in tourism and culture
• Proximity to Capitols - Skopje, Pristina and Tirana as the central economic parts of countries and the airports in Skopje and Pristina
• Utilization of existing tourist facilities for the preparation of sports teams and maintenance of cultural - entertaining activities
• Exploiting the possibilities for sustainable alternative tourism (eco, rural, mountain, mountaineering, etc.).
• Affirmation of Cultural Heritage (mosques, churches, monasteries, archaeological sites, cultural monuments)
• Promotion of the model of public-private partnership in tourism
• Promotion of the needs for cooperation and creation of synergies between sectors: tourism, agriculture, rural development, culture, environment
• Existence of a large number of households interested in providing services in rural tourism
THREATS:

- Selective and incomplete implementation of legislation regarding environmental protection, control of hunting and fishing, etc.
- Reduced investment activity and interest in investing in tourism and culture
- Reduced number of highly educated individuals who remain in the region and the outflow of skilled personnel
- Unfavorable political developments in the closer environment
- Unfavorable development in the closer economic environment
- Serious threat of global recession reduced economic activity in the three countries and target markets
- Unmaintained regional roads and lack of a clear plan and finance for reconstruction
- Reniviranja insufficient tourism infrastructure
- Insufficient improvement of the quality of services
- Insufficient improvement of the quality of skills in services provision

SWOT analysis for this priority area indicated that the Region has natural, cultural - historical and communication potentials that allow development and diversification of economic activities. The existence of number of tourist facilities, authentic cuisine and easy access to the region are one of the many resources that provide basis for development of different types of tourism in the region. Still there is a lack of devise and integrated business offer is missing in the region. Cultural and sport event, monuments and other landmarks are not properly promoted and does not evoke interest among tourist. Poor participation of proper institutions and foreign language knowledge as well as the missing of proper road infrastructure also make the situation more difficult to manage.

However possibilities provided by the diverse ethnical composition of the region and the different culture coming along that can be used for attracting visitors. Nature and land composition provide another possibility for tourism development while the interest among population for development of rural tourism can be seen as driving force for creation of a tourist offer. Affirmation of Cultural resources is one of the next steps that the region should.

Beside the current condition, SWOT analyses show that there are big potentials for tourism development in the region mainly through utilization of natural and cultural resources that exist.

4.5.3.2 Strategic Goals for the priority area: Tourism and Culture

**Strategic Goal 1:** Promotion of authentic and comparative advantages of the Region in creating an integrated tourist offer.

- **Objective 1:** Development of tourist products based on the authentic and comparative advantages of the Region
- **Objective 2:** Creating an integrated tourist offer

**Strategic Goal 2:** Support of the development of sustainable alternative (eco, rural, transit and cultural) tourism and tourism infrastructure

- **Objective 1:** Support to development of sustainable alternative tourism
- **Objective 2:** Support to development of tourism infrastructure
4.5.4 **Priority area: Regional Infrastructure**

4.5.4.1 **SWOT analysis - Priority area: Regional Infrastructure**

**STRENGTHS:**
- Geostrategic position of the region - Transit Center (AL and KS)
- Existence of highways in the region or in its direct vicinity
- Good coverage of the communities with the road network (local, regional and national roads)
- Existence of hydrographic potentials for agricultural development (manmade accumulations - lakes)
- Good coverage of urban areas with waste water networks (over 80% of coverage)
- High percentage of coverage with water supply networks in urban areas
- A large number of sunny hours per year and significant presence of wind as alternative energy sources

**WEAKNESSES:**
- Lack of drinking – potable water in rural areas
- Old water supply networks in urban areas
- Insufficient capacity for wastewater treatment
- Lack of sewerage networks in rural areas
- Unsatisfactory sanitary and technical standards for safe disposal of solid waste and the existence of a large number of illegal dumps in rural areas
- Existing poor condition of regional roads and local road network
- Poor condition of the rural road network
- Lack of underground cadastre
- Financially weak municipalities
- Old urban documentation and incomplete coverage of the settlements with plan documentation

**OPPORTUNITIES:**
- Opportunity for upgrading of (smaller) parts of the infrastructure through cross-border cooperation
- Setting up a system for disposal of solid waste and construction of regional landfills
- Application of positive legislation on industrial waste water (according to EU standards)
- Opportunities for production of electricity from renewable sources (solar, hydro and wind energy);
- Utilization of positive legislation regarding the production of solar energy

**THREATS:**
- Insufficient sources of funding for municipalities
- Lack of precise states policies regarding capital investments
- Resistance of locals to build regional landfills
- Increasing the price of electricity and oil
- Political developments in the region
- Global climate issues
- Global economic crisis (recession) and reducing the size of investments as a result
- Permanent change of legislation
Data gained from the SWOT analysis for the Priority area Regional Infrastructure indicate that depending on the infrastructure, different parts of the region have different infrastructural coverage. The entire territory of the Sharra region has regional and local road infrastructure and border crossings which connect the three countries (FYRM, Albania and Kosovo). The region is all covered with electricity, internet and telecommunications (both land line and mobile) while only the main communities in the area are covered with waste water network and solid waste collection systems. Systems for disposal of solid waste and construction of regional landfills are missing on the entire territory and pollute the area manly areable land and river basins. According SWOT analyses the region also has urgent need of improvement of water supply and waste water management networks as well as solid waste management and disposal of the waste that will be in accordance to the EU standards.

There is only one railway passing through the region but their capacities are not properly used as well. The challenges coming from the infrastructure can be managed through integrated policy development and cooperation between the local authorities from all three countries as well as through cooperation with private business sector coming from the region.

### 4.5.4.2 Strategic Goals for the priority area: Regional Infrastructure

**Strategic Goal 1:** Improve the infrastructure and energy potentials in the region through support from national and European funds

- **Objective 1:** Improve regional road and interconnection infrastructure
- **Objective 2:** Improve regional communal infrastructure

**Strategic Goal 2:** Sustainable use of renewable energy sources (wind, sun, water and biomass)

- **Objective 1:** Create conditions for investments in renewable energy sources

### 4.5.5 Priority area: Agriculture and Rural Development

#### 4.5.5.1 SWOT analysis - Priority area: Agriculture and Rural Development

**STRENGTHS:**
- Richness of natural resources (water, forests, rivers, clean air, minerals) and diversity of terrain (mountains, plains)
- Large areas of pasture land and tradition in cattle breeding, processing of meat and dairy products
- Surfaces of arable land and tradition of producing field crops
- Large areas under forests
- Richness of clean water - springs and rivers suitable for fishing and other tourist activities on water
- Diversity of plant and animal species
- Protected and healthy environment in the villages
- Preserved natural resources for development of organic production
- A large number of sunny hours per year
- Increased interest of municipalities and states for agricultural and rural development
- Increased interest of municipalities to develop strategic plans for agriculture and rural development and attracting investors
- Existence of traditional agricultural production skills among farmers and increased interest in introduction of modern production technologies
- Local markets that have a range of traditional products (milk and dairy products, meat, vegetables, fruits)
WEAKNESSES

- Inadequate quality of available labor and low level of education
- Irresponsible attitude towards exploitation of natural resources
- Unplanned and illegal deforestation
- Fragmented land properties - structure of land property not suitable for intensive agriculture
- Municipalities have no competencies over management of state-owned agricultural land
- Poor condition of the rural road networks
- Lack of organized trade with agricultural products
- Many individual farmers are not registered as economic entities (AL and KS)
- Low economic development in rural areas
- Financially weak municipalities
- Lack of greenhouses and glasshouses
- Lack of appropriate professional staff in agriculture
- Low level of cooperation between farmers and research institutions
- Lack of association of farmers - a small number of active associations
- Lack of centers for informal education
- Underdeveloped organic farming
- Low level of education and awareness of farmers and application of agrotechnical measures of previous generations
- Lack of access to suitable credit lines
- Outdated agricultural mechanization - the terrain in some mountain areas does not allow the use of machines and machinery
- Lack of a strategic product in the region
- Lack of utilization of the water potential of rivers for irrigation
- Lack of added value in agriculture, low level of innovation in production
- Lack of regional agro-Stock
- Unplanned construction in the villages that distorts their look - appearance and their natural environment
- Lack of categorization of accommodation facilities in rural areas

OPPORTUNITIES:

- Planned and integrated development of the Region
- Utilization of soil-climatic conditions for agricultural development and utilization of sources of renewable energy
- Opportunity for development of bee keeping, collecting herbs, wild fruits and organic production
- Introduction of new processing methods in agriculture
- Construction of new irrigation systems
- Using national and international funds
- Global trends in demand for healthy food (organic production)
- Increased incentives from the state for agricultural development (premium regression, subsidies, etc.)
- Construction of small dams and reservoirs of atmospheric water
- Promoting and stimulating the work of associations of farmers
- Training of farmers in good agricultural practices and introduction of standards that are required in countries that import agricultural products (Global GAP)
- Development of rural and eco tourism
- Utilization of clean rivers for fishing tourism
- Construction of new roads in rural areas
- Utilization of IPA funds for development of rural economy and tourism
THREATS

- Insufficient sources of financing with high interest rates
- Unavailability of credit lines for farmers
- The existence of unfair competition
- Global Climate Change
- Increasing the price of electricity and oil
- Expensive farm equipment and machinery
- Large areas of state agricultural land that not released to small farmers holders
- Absence of clearly defined ownership and right of use of agricultural land
- Economic situation in the region and globally, and access to foreign markets
- Usurpation of agricultural land for construction

SWOT analysis for the Priority Area Agriculture and Rural Development indicated that agriculture is one of the most present economic activities through the entire region with big potentials to improve rural development. Regarding the strengths, the region has many competitive values like richness of natural resources (water, forests, rivers, clean air, minerals) clean environment and climate conditions provide production of relatively unpolluted - healthy agricultural products. The diversity of terrain (mountains, plains), farmers basic skills, production of traditional agricultural products, diversity of plant and animal species are characteristic for the region. The operating businesses are mainly small-family owned farms that run on local markets. The low level of education and skills regarding innovative agriculture, prevent this region for further development in this sector.

There are opportunities for development of this area regarding the utilization of soil-climatic conditions for agricultural development and utilization of sources of renewable energy and introduction of new processing methods that will improve regional development. Still financial week municipalities haven’t the possibility to help the population and improve their production practices. There are financial programmes (national programmes and IPARD) from the Macedonian side that can be used for improvement of farmers performance but they are not very well familiarized with them. The challenges which agriculture faces in terms of threats are consequences of climate changes and the lack of awareness among the stakeholders for immediate responses as well as the absence of clearly defined ownership and right of use of agricultural land.

If properly managed, agricultural sector can be leading force in the rural development of the region. With proper programmes and strategies for development created by local governments and common regional strategy for access to foreign markets, the region can be known as one of the main areas producing agricultural product for broader region.

4.5.5.2 Strategic Goals for the priority area: Agriculture and Rural Development

Strategic Goal 1: Creating the conditions for regional sustainable agriculture based on production of healthy traditional products

Objective 1: Protection and branding of traditional agricultural products

Objective 2: Enhance efforts for production of competitive healthy food through regional cooperation

Objective 3: Increase the capacities for organic farming in the region

Strategic Goal 2: Creating conditions for rural development in the region through sustainable utilization of natural and anthropogenic resources.
Objective 1: Support diversification of rural economies through improvement of the conditions for development of small businesses

Objective 2: Developing trade and buy-out of wild gathered products - herbs in rural areas in accordance to the EU standards and practices

5 Action Plan Framework

A basic framework of the Action Plan is developed on request of the SG during the process of strategic planning. The main purpose of the framework is to develop activities (key steps) that must be implemented and well performed in order to secure successful implementation of the Strategy. Together, the Development Strategy and the Action Plan Framework, will guide the Sharra region towards its development and achievement of the Shared Vision.

The aim of this Framework is to identify and describe actions for each priority area that will be in accordance with the areas strategic goals and objectives. This structure has the aim to provide efficient start up of the activities and achieve priority areas goals. Proposed actions will further be developed into a Project Ideas that will clearly define project objectives and results, indicators and costs required. Additionally, they will define who is responsible for their implementation.

In order to secure detailed guidance for Strategy implementation, at the beginning of the process an Action Plan will have to be provided. The document have to define the potential and critical needs as well as the potential beneficiaries, the eligible criteria, monitoring and quantified target indicators, costs and time frame for each action separately. Moreover, it will also have to assign the responsibilities to different actors within the Region, with support from the other partners, notably the local and central governments as well as the EU Institutions.

The Action Plan incorporates the following elements:

Priority Areas:

The priority areas address the main fields where the Strategy will intervene. They present the core of the Strategy and are essential to the success of its work.

The implementation of the priority areas will be done by the Thematic Group which was created from the Stakeholder Groups during the participatory planning process. Each priority will be assigned to separate Thematic Group that has its Priority Area Coordinator. These coordinator will have the responsibility to coordinate the activities what makes them the key factor that will make the Strategy operational. PA Coordinators work in close cooperation with the Project Implementing structure (Unit) and with all stakeholders involved, especially Local and Regional Authorities, National Governments and NGOs.

Strategic Goals:

Strategic Goals define the milestones the target area aims to achieve for each priority area. The goals, achieved through specific performances, have the aim to positively impact the entire priority area.

Objectives:

They are consistent to the strategic goals and are designed to operationalise the goals. Each strategic goal has defined several objectives in form of statements that define specific outcomes that are to be achieved. Each objective will be achieved through implementation of a series of actions, which are additionally defined.

Actions:

Actions are the actual activities that need to be undertaken in order the achieve Priority Areas objectives and strategic goals. An action can be a new approach, an increased coordination (in policy
making or other spheres), a support to a process already engaged, a networking initiative, etc. An action may not necessarily require financing.

**Projects:**

A project is concrete activity, with a start and end date. In general it requires financing, a project team and project partners. The Action Plan presents only the priority projects that were identified and developed by the Thematic Groups. There is one project for each Priority Area. Each project aims to serve as a start up point for commencement of the activities within a Priority Area and the are presented by way to stimulate further initiatives as the Strategy progresses, and as new ideas emerge. The detailed elaboration of the projects is presented in the above mentioned Annex (Annex 4).

These projects can be financed by national/ regional funds, EU funds - the Instrument for Pre-Accession Assistance (IPA), International Financial Institutions or private investors, in line with the appropriate frameworks and practices.

The timeframe of the actions and projects varies. Some can be implemented in a short time (app.1-2 years) and some will need longer. As a general rule, each project would have a lead organisation and a deadline. When not defined by the time of adoption of the Strategy by the SG, the Priority Area Coordinators would ensure that this is decided by the same SG further in the process of implementation.

In identifying the actions and projects suggested in the Action Plan, the following factors have been taken into account:

- To address the identified priorities and be supported. The need for the action or project should have been clearly expressed by the stakeholders from the target area. In addition, the support of these stakeholders and partners is also crucial for the implementation and the proposals have been thoroughly discussed with them.

- To have an impact on the target area (or a significant part of it). Many projects should therefore have the cross – border character (be transnational). However, if a national project has a direct impact on the macro-region (e.g. the construction of a waste water treatment plant that improves the water quality of the rivers) or contributes to a policy objective of the strategy (e.g. the renovation of a site as part of a network to attract tourists) they could be included. However, most actions and projects having an impact on the region will involve several municipalities from both countries. cooperate. The impact should be articulated in the form of an impact indicator which can be evaluated over time. Consideration should be given to the data which will need to be gathered in order to evaluate the impact (including the establishment of the baseline situation).

- Realistic and feasible (technically and financially). There should be also an overall agreement between stakeholders, the strategy Implementation Unit, SWG and other interested parties of their worth. In particular, a realistic source of funding should be identified. Proposing a project for the Action Plan is not a funding request but the feasibility and cost-effectiveness of a project should be established.

- To be coherent and mutually supportive. Actions and projects must be compatible with each other and create win-win solutions. For example transport projects or energy efficiency initiatives cannot jeopardise achieving environmental targets.

5.1 **The Actions**

1. **Priority Area: Environment**

**Strategic Goal 1:** Creation of an integrated approach for protection and management of natural resources for the purposes of economic development based on sustainable principles.
Objective 1: Protection of environment and management of natural resources through regional institutional cooperation.

**Actions:**

1.1 Strengthening the capacities of public sector institutions in the Region for regional cooperation for protection of the environment and management of natural resources.

1.2 Development of Regional Ecological Action Plan for the Region and definition of management body for its implementation

1.3 Development of Local Ecological Action Plan for each municipality – member of the Region and/or revision of the old LEAPs for the municipalities who already have developed such documents

1.4 Identify capital and endangered natural resources and develop common methodology for protection and management of these resources

1.5 Support the process of declaration and establishment of national Park Sharra on the entire territory of the mountain and support the process of declaration of it as a Cross – Border National Park Shara

1.6 Improve the protection of water resources at local level and establish regional approach of protection of river basins

1.7 Establish mechanisms for regional protection of forests and regional fire fighting system

1.8 Establish regional protection of the endangered species of flora and fauna

1.9 Support public private partnership for protection of the environment and management of natural resources

Objective 2: Involve citizens in protection of environment

**Actions:**

2.1 Increase regional public awareness about the benefits of protection of environment

2.2 Support to NGOs to strengthen their capacities for protection of environment, regional cooperation and networking

2.3 Introduce Community Based Natural Resource Management at local level in order to involve local communities in activities designed to ensure their own participation and contribution the processes of decision making and management of environment and natural resources

2.4 Support schools and teachers to integrate environmental issues concerning the Region in their course syllabus and/or extracurricular activities.

Strategic Goal 2: Development of an effective system for waste management

**Objective 1:** Improvement of cooperation for waste water management for protection of water basins with regional character.

**Actions:**

1.1 Improve regional approach in protection of man - made lakes

1.2 Construction of waste water collector/filter stations for Lake Fierza

1.3 Reconstruction of old and construction of new waste water filter stations in the region
Objective 2: Improvement of regional cooperation for solid waste management.

Actions:

2.1 Improve local capacities for collection, disposal and management of solid waste
2.2 Support establishment of inter-municipal cooperation for establishments of joint mechanisms and practices for management of solid waste
2.3 Development of cross-border strategies/action plans for solid waste management
2.4 Explore opportunities to establish regional centres for management of solid waste

1. Priority area: Regional Economy

Strategic Goal 1: Create conditions for use of the existing natural and economic potentials for economic development of the region

Objective 1: Establishment of a basis for regional economic development

Actions:

1.1 Development of regional studies for sustainable use of natural resources for the purpose of economic development
1.2 Assessment of the potentials for economic growth through identification and prioritization of the economic sectors
1.3 Development of strategy for marketing and promotion of regional economic potential
1.4 Support cooperation and networking between public institutions, education-research centres and businesses

Objective 2: Development of regional infrastructure for support of the regional economy

Actions:

2.1 Establishment of business support centres – incubators to support small and medium-size enterprises in the Region
2.2 Strengthening capacities of public institutions in local/regional planning and project management
2.3 Support establishment of Regional business chamber – a cluster organized network that will facilitate exchange of information and joint marketing
2.4 Support businesses in identification of funds and preparation of project proposals and applications

Strategic Goal 2: Increase the competitiveness of the region and providing a skilled and educated workforce to the needs of the economy

Objective 1: Promoting comparative business advantages of the Region
**Actions:**

1.1 Development of a Study for identification of the comparative business advantages of the Region

1.2 Development of a Marketing strategy for investment in order to familiarize potential investors with macro-economic framework of the region, the existing technical infrastructure, resources and advantages and tendencies for improving the work of local and state administration in the region.

1.3 Intensification of cooperation and coordination with national institutions in charge of finding foreign investment

**Objective 2:** Capacity building of the regional workforce to the needs of the economy

**Actions:**

2.1 Assessment of the current education and training provision with job requirements

2.2 Assessment of the knowledge and skills needs of new entrants to a variety of business entities

2.3 Support to Regional development agencies and other training institutions to provide training or retraining of the workforce in accordance to the needs of the economy

3. **Priority area: Tourism and Culture**

**Strategic Goal 1:** Promotion of authentic and comparative advantages of the Region in creating an integrated tourist offer.

**Objective 1:** Development of tourist products based on the authentic and comparative advantages of the Region

**Actions:**

1.1 Assessment of the natural and anthropogenic/cultural resources for the purposes of development of tourism

1.2 Preparation of Regional Study for mapping the touristic potentials of the region through assessment of the authentic values and comparative advantages

1.3 Development of regional tourist offer based on integration of the common values and comparative advantages

**Objective 2:** Creating an integrated tourist offer

**Actions:**

2.1 Institutional support for development of tourism through creation of a Regional Tourist Information Center and its branches within the Region

2.2 Development of Regional Strategy for promotion of touristic potentials and offer

2.3 Provision of trainings for customer care and development of quality touristic services to interested stakeholders from the Region

2.4 Development of touristic offer based on the regional traditional food and cultural heritage

**Strategic Goal 2:** Support of the development of sustainable alternative (eco, rural, transit and cultural) tourism and tourism infrastructure

**Objective 1:** Support to development of sustainable alternative tourism
**Actions:**

1. Development of regional touristic products that integrate rural, eco and cultural activities
2. Development of regional thematic tourist routes
3. Support local population through training for utilization of national/EU (IPRAD) and international funds for development of rural tourism
4. Secure networking and exchange of information between tour operators, hoteliers, restaurateurs and farmers
5. Identification of potentials for provision of services to transit tourists

**Objective 2:** Support to development of tourism infrastructure

**Actions:**

1. Preparation of technical and project documentation for development of touristic sites
2. Construction of tourist infrastructure and infrastructural arrangements at touristic sites
3. Identification of locations and construction of tourist info points for transit tourists
4. Joint approach for development of project applications for renovation of old cultural - historical monuments on the territory of the Region

**Priority area: Regional Infrastructure**

**Strategic Goal 1:** Improve the infrastructure and energy potentials in the region through support from national and European funds

**Objective 1:** Improve regional road and interconnection infrastructure

**Actions:**

1. Development of feasibility study for increasing the interconnection of the Cross –Border Region and opening additional border crossing
2. Preparation of technical documentation for cross – border and regional road connectivity between municipalities within the region
3. Reconstruction of local infrastructure that have capacities to impact the economic development of the Region
4. Reconstruction of regional road infrastructure
5. Construction of new road infrastructure that will interconnect the Region
6. Reconstruction of the existing border crossings and construction and opening of new ones

**Objective 2:** Improve regional communal infrastructure

**Actions:**

1. Preparation of technical documentation for reconstruction of regional water supply and waste water networks,
2. Reconstruction of old water supply infrastructure and construction of new in residential areas
2.3 Construction of waste water and sewerage filter stations
2.4 Preparation of technical documentation and regulation of river-beds in the Region

**Strategic Goal 2:** Sustainable use of renewable energy sources (wind, sun, water and biomass)

**Objective 1:** Create conditions for investments in renewable energy sources

**Actions:**
1.1 Development of Regional Feasibility Study for utilization of renewable energy sources
1.2 Lobbying in front of national authorities for harmonization and alignment of legislation related to renewable energy sources
1.3 Develop measures to support public private partnership in production of energies based on renewable energy sources.

5. **Priority area: Agriculture and Rural Development**

**Strategic Goal 1:** Creating the conditions for regional sustainable agriculture based on production of healthy traditional products

**Objective 1:** Protection and branding of traditional agricultural products

**Actions:**
1.1 Identification of agricultural and food products that have potentials for branding as traditional products with regional origin
1.2 Support businesses to brand their agricultural and food products
1.3 Support farmers to standardize the production of agricultural products and food by using traditional methods

**Objective 2:** Enhance efforts for production of competitive healthy food through regional cooperation

**Actions:**
2.1 Introduce new technologies in production of agricultural products
2.2 Support reintroduction of traditional crops
2.3 Training of farmers to implement EU standards and systems in agricultural production (EUREPGAP/GLOBALGAP)
2.4 Improve the existing methods of plant protection and use of fertilizers
2.5 Support to farmers and economic subjects while introducing/reintroducing and increasing the herds of indigenous breeds
2.6 Training of farmers for creation of modern conditions for livestock breeding.

**Objective 3:** Increase the capacities for organic farming in the region
**Actions:**

3.1 Assist farmers to start with organic production through institutional, legal and financial to transition to organic production

3.2 Establish Organic Production Advisory Services at Regional basis

3.3 Create network between organic producers, processors, and traders

**Strategic Goal 2:** Creating conditions for rural development in the region through sustainable utilization of natural and anthropogenic resources.

**Objective 1:** Support diversification of rural economies through improvement of the conditions for development of small businesses

**Actions:**

1.1 Coordination of the process and development of local policies for attracting investments in rural areas.

1.2 Creating a competitive workforce in the rural areas through training qualification and requalification

1.3 Support the introduction of international standards by small and medium enterprises working in rural areas

1.4 Institutional support for establishment of family and small businesses in rural areas

1.5 Development of entrepreneurial capacities of the rural population with focus on youth and women

1.6 Training of local population for utilization of national/EU (IPRAD) and international funds for rural development

**Objective 2:** Developing trade and buy-out of wild gathered products - herbs in rural areas in accordance to the EU standards and practices

**Actions:**

2.1 Raising awareness and educating the population about the qualities of the Region and its comparative advantages for gathering of wild herbs for food production, pharmaceuticals and cosmetics through employment of old and new technologies, systems and standards.

2.2 Educating people about proper treatment and gathering of wild gathered products, due to sustainable utilization of natural resources

2.3 Supporting the organizational development and performances of entities dealing with the collection and trade of wild gathered products by creating an association of collectors and traders of wild gathered products.

2.4 Support the entities dealing with the collection and trade of wild gathered products to participate at fairs and other related events

**Publicity and visibility**

The Implementing structure provides information about the Cross-Border Region of Sharra Strategic Development Plan, as a part of the contributions made by the communities from the Region and makes those public. This information shall be aimed at the regional stakeholders, beneficiaries from
the Region and the general public. It shall spotlight the role of the Region seen as a Community during the process of implementation and ensure transparency of the implementing activities.

Implementing structure shall be responsible for the publicity of the Strategic Plan as follows:

- informs potential beneficiaries (especially rural population) professional organisations, businesses, social partners, and the non-governmental organisations concerned, including environmental organisations, of the possibilities for development designed and offered by the Strategic Plan, implementation of the activities from the Plan and the achieved results;

- informs the beneficiaries of the implementation of the activities, donors, national/regional authorities and community contribution;

- informs the general public about the role played by the stakeholders and the Community in the programmes and the results thereof.

Once the Strategy commence, communication activities and actions will be elaborated in a separate document (communication strategy - plan).

The Communication should be clear, concise, concrete, adapted to the target-public and coherent at local, regional and national level throughout the implementation period. This shall be articulated around the following principles:

- flexibility (the capacity to quickly respond to the feed-back arriving from the internal and external environment),

- transparency (capacity to supply objective and accurate information in regard to the implementing activities and activities of the Implementing Structure),

- efficiency (optimal use of resources in order to reach the maximum impact).

Actions foreseen to inform potential beneficiaries (especially rural population) professional organisations, businesses, social partners, and the non-governmental organisations concerned, including environmental organisations, of the possibilities for development designed and offered by the Strategic Plan, implementation of the activities from the Plan and the achieved results.

- the Implementing Structure provides clear, unambiguous and detailed information for the potential beneficiaries from the rural population;

- the Implementing Structure ensures that the teams operating as intermediaries in informing the potential beneficiaries are involved in the activities;

- the Implementing Structure provides information on the role of the Stakeholders and uses their networks in order to spread information.

The following tools and activities shall be considered and elaborated:

- development and dissemination of information materials (fliers, brochures, guides, posters, etc),

- development of radio spots, design and regular maintenance of a website, attendance at conferences, participation in specialized shows and others.

- organization of workshops and professional presentations mainly for stakeholders (staff) involved in the effective and uniform implementation of the Plan

- participation at events, exhibitions

- the application of other direct marketing tools,

- setting up special marketing channels targeted at the rural population
Actions foreseen to inform the beneficiaries of the Community contribution, the non-governmental organisations of the possibilities offered by the programme and the rules for gaining access to programme funding.

The Implementing Structure ensures that the beneficiary is regularly informed about the implementation of the strategy and the provided support. The beneficiaries shall be directly informed about latest news concerning the Plan, events to be held and other relevant developments.

The following tools and activities shall be considered and elaborated:

- preparation of publication for making known tasks to be carried out during the implementation and realization of projects,
- organisation of workshops to summarize experience gathered during the implementation of the Plan, drawing conclusions, making forward looking proposals and conveying these to the general public,
- website (continuous supply of information about the news related to implementation of the Strategic Plan)

Actions to inform the general public

The Implementing Structure shall make every effort possible to inform the general public in the widest spectrum and through every means of communication about measures under the Strategic Plan.

The Implementing Structure informs the general public about the modifications, key results achieved in the course of the implementation of the Plan, and the closing of the Plan.

The Managing Authority publishes the list of beneficiaries of the Cross Border Region Strategic Plan, the titles of the projects to be realised, and the sum of public funds spent on the projects.

The Implementing Structure is responsible for executing measures aimed at the supply of information. In the course of the activity the Implementing Structure uses all possible forms of informing the general public at regional level. It is necessary to make use of communication campaigns, printed and electronic media.

Tools:

- preparation of brochures, leaflets for a brief introduction to the Strategic Plan. The Strategic Plan will be introduced on road shows and other events.
- production of publications on the activities co-financed by the National Programmes ans IPA, the method of application, about the process and principles of evaluation of the applications, the steps of implementation and control of the projects to ensure transparency,
- advertising in the printed press (daily, weekly, monthly, professional, county, regional papers), preparation of articles and studies and their communication throughout the programme period,
- questionnaire survey, public opinion poll on knowing about the Strategic Plan and the general opinion about the Strategic Plan), so the Managing Authority can get a picture about the sources of information of the target groups, their needs, expectations and any problems, thus ensuring the successful supply of information,
- preparing marketing communications tools by using the Strategic Plan
- Figure, signage and logo, which can be obtained by the parties interested and at events organized in order to spread information.
Annexes

7.1 Annex 1: Stakeholders’ questionnaire

During the preparation of this study a questionnaire were included. This questionnaire included many questions from different sections, in order to provide further relevant information about the municipalities and the stakeholders within the region.

From the stakeholder’s questionnaire 100 samples that were sent for answer, but only 80 questionnaires were answered. The following questionnaire was used for the study:

**Questionnaire- Survey**

*(to be administered by local stakeholders)*

A– Responder information

1. Name of organization:

________________________________________________________________________

2. Position currently hold in the organization:

☐ President/ Director  
☐ Manager  
☐ Expert  
☐ Other (specify) ___________________________________________________________

3. Date of responder: ______________________________________________________

B– Human capital

1. What are currently the key issues related to human resources for the sustainable development of your municipality?

<table>
<thead>
<tr>
<th></th>
<th>A huge problem</th>
<th>A problem</th>
<th>Not a problem</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of statistical data on human resources</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Current skills of the local workforce</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Job opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employability of people in general, compatibility of competencies gained in education with job requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employability of young people in general</td>
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</tr>
</tbody>
</table>
2. Are there any other current key problems related to human resources for the sustainable development of your municipality?

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

3. What would you say about the existence of vocational training possibilities for the local workforce in the area? (Please indicate your response on a scale from 1 - meaning inexistent to 5 - meaning fully meet demand).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Unemployed</td>
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</tbody>
</table>

**X-- Cultural resources**

1. As how relevant do you consider the following cultural resources for local development in your municipality, both in terms of their current (C) and potential (P) utilization? Please indicate your response on a scale from 1 - meaning not relevant at all to 5 - meaning very relevant.

<table>
<thead>
<tr>
<th>Cultural Resource</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local food and beverage products</td>
<td>C</td>
<td>P</td>
<td>C</td>
<td>P</td>
<td>C</td>
</tr>
<tr>
<td>Theatre events</td>
<td>C</td>
<td>P</td>
<td>C</td>
<td>P</td>
<td>C</td>
</tr>
<tr>
<td>Music events</td>
<td>C</td>
<td>P</td>
<td>C</td>
<td>P</td>
<td>C</td>
</tr>
<tr>
<td>Cultural heritage monuments and sites</td>
<td>C</td>
<td>P</td>
<td>C</td>
<td>P</td>
<td>C</td>
</tr>
<tr>
<td>Other- specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

2. Is there either in terms of an official document or a vision shared by local stakeholders that concerns the valorization of local cultural resources? (if yes answer Q3 and Q4)

- [ ] Yes
- [ ] No
- [ ] Don't know

3. Has your organization been involved in design and implementation of this strategy?
4. What are the sources that make up the budget allocated to secure implementation of this strategy? (Please indicate your response on a scale from 1 - meaning that no such funding available to 5 - meaning that fully funded by this source)

<table>
<thead>
<tr>
<th>Source</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own local funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central government funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International donor funding</td>
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</tr>
</tbody>
</table>

5. Are there cultural events that are organized in a recurring way, such as, for example an annual music festival?
   - Yes
   - No
   (if yes, how many) _______

6. Are any of these recurring cultural events organized through or in relation with cross-border activities?
   - Yes
   - No
   (if yes, how many) _______

7. Has your organization been involved in cross-border activities related to cultural resources during the last 5 years?
   - Yes
   - No
   (if yes, how many) _______

8. Are there any concrete plans for involvement of the cross-border network of your organization related to cultural resources in the next 2 years?
   - Yes
   - No

9. Are there in your municipality, existence of cross-border network of organization concerned with culture?
   - Yes
   - No
   (if yes, how many) _______

D- Natural resources

1. To what extend the following issues are putting in danger the local natural resources? (Please indicate c on a scale from 1 - meaning not endangered to 5 - meaning highly endangered)
<table>
<thead>
<tr>
<th>Waste water management</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid waste management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural pollution due to plant protection products, fertilizers</td>
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<tr>
<td>Industrial pollutions</td>
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<tr>
<td>Threats to biodiversity (fauna, flora)</td>
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<tr>
<td>Threats to landscape (uncontrolled urbanism or industrial settlements)</td>
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<tr>
<td>Climate change</td>
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<tr>
<td>Other (give examples)</td>
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</tbody>
</table>

**Does a local strategy exist (local official policy document that regulates the preservation of natural resources and eco-systems)?** (if No, go to Q6)

- Yes
- No
- Don't know

2. **Has your organization been involved in the design of this strategy?**
- Yes
- No

3. **Has your organization been involved in the implementation of this strategy?**
- Yes
- No

4. **To your knowledge, what kind of public resources are provided for a secure implementation of this strategy?** (Please indicate your response on a scale from 1 - meaning that no such funding available to 5 - meaning that fully funded by this source and 6 - don't know the relevance of the possible funding sources)

<table>
<thead>
<tr>
<th>Own local funds</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government funding</td>
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<tr>
<td>International donor funding</td>
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</tr>
</tbody>
</table>

5. **Are there cross-border agreements in place on the preservation of natural resources and ecosystem?**
- Yes
- No

6. **If yes, which localities/countries are such cross-border agreements in place?**
7. **During the last 5 years has your organization been involved in measures concerned with the preservation of natural resources and eco-systems?**
   - [ ] Yes
   - [ ] No

8. **For the next 2 years do you expect the allocation of budget for measures concerned with the preservation of natural resources and eco systems to …?**
   - [ ] Increase
   - [ ] Decrease
   - [ ] Remain the same

9. **What are currently the key issues related to natural resources for the sustainable development of your municipality?**

<table>
<thead>
<tr>
<th>Issue</th>
<th>A huge problem</th>
<th>A problem</th>
<th>Not a problem</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of statistical data on natural resources</td>
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<td></td>
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<tr>
<td>Lack of public awareness of engagements to natural resources</td>
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<tr>
<td>Inefficient legal framework</td>
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<tr>
<td>Unsatisfactory implementation and enforcement of the legal framework</td>
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<tr>
<td>Co-operation amongst local authorities on your side of the border</td>
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<tr>
<td>Cross-border co-operation of local authorities</td>
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<td></td>
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<tr>
<td>Other problems (specify if any)</td>
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</tr>
</tbody>
</table>

**E—Infrastructure and connectivity**

1. **Do you consider infrastructure as main development obstacle in your municipality?**
   - [ ] Yes
   - [ ] No

2. **Number of public transport connections between municipalities**
   - [ ] Train
   - [ ] Bus
   - [ ] Airport
   - [ ] Car
   - [ ] Other: _______
1. **What are the main three sectors that are most developed (produce the biggest income) in the municipality?**

   1. _______________________________________
   2. _______________________________________
   3. _______________________________________ 

2. **What are the current key issues related to economic sectors (listed above)?**

<table>
<thead>
<tr>
<th>Issue</th>
<th>A huge problem</th>
<th>A problem</th>
<th>Not a problem</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of skilled (qualified) labor</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Availability of credits and loans</td>
<td></td>
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<tr>
<td>Availability of general business support services</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Security issues and legal certainty (including corruption)</td>
<td></td>
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<tr>
<td>Competition on local markets</td>
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<td>Competition on regional/ regional markets</td>
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<tr>
<td>Competition on international markets</td>
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<td>Legal and custom procedures</td>
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<td>Cost of production</td>
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<td>Cost of transport</td>
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<td>Quality of production</td>
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<tr>
<td>Quantity of production</td>
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<tr>
<td>Other (specify if any)</td>
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</tbody>
</table>

3. **In your opinion which are the economic sectors which would benefit the most from greater cross-border cooperation in the region? Please list up three sectors**

   1. ______________________________
   2. ______________________________
   3. ______________________________
Γ – Local institutional and cross border capacities

1. Has your organization have experience in cross border activities, during the last 5 years? (if no, go to Q5)
   □ Yes
   □ No

2. Please indicate the number and localities of cross-border project your organization has been involved with in the last 5 years?

3. Please indicate the number and localities of official cross-border agreements your organization has signed with in the last 5 years?

4. Was this experience in cross-border activities related to (multiple answers are possible):
   □ Human capital development (develop the skills of the local population in general and the local workforce in particular)
   □ Natural resource common administration (to administer in a sustainable way shared/common natural resources, such as water streams, national parks, etc.)
   □ Cultural resource development (understood as measure to promote cultural heritage shared by cross-border localities)
   □ Institutional capacity development (to develop the institutional capacity of involved organizations in terms of achieving general and/or project related objectives)
   □ Cross-border capacity development (develop capacities to engage in cross-border activities)
5. **What are the limitations of cross-border cooperation?** (multiple answer is possible)
   - Lack of communication and information
   - Legal framework
   - Limited opportunities
   - No leadership
   - Lack of funds
   - Too many difficulties
   - Political climate and situation
   - Lack of personnel
   - Lack of joint cultural and social activities
   - Other - specify _____________________________

6. **Are you satisfied with the socio-economic development progress in your municipality?**
   - Yes
   - No

7. **Which are the main obstacles to socio economic development in your municipality and/or sector of activity?**
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

8. **Does a local development strategy exists – and official policy document that sets out the socio-economic development priorities and directions for your local economy?**
   - Yes
   - No

9. **What are the sources that make up the budget allocated to secure implementation of the local development strategy?** (Please indicate your response on a scale from 1 -meaning that no such funding available to 5 -meaning that fully funded by this source)

<table>
<thead>
<tr>
<th>Source</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own local funds</td>
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<td></td>
</tr>
<tr>
<td>Central Government funding</td>
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</tr>
<tr>
<td>International donor funding</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

10. **Who are the key people and institutions fostering local development?** (multiple answer is possible)
    - Political parties
    - Local Authorities
    - NGOs
    - Regional Development agencies or equivalent institutions
    - Other - ______________________________________________________
11. According your opinion, what are the key priorities for local development? (Please indicate 5 priority areas on a scale from 1 -meaning most important to 5 -meaning least important)

- Local economic development
- Tourism
- Local Governance
- Agriculture
- Infrastructure
- Employmets
- Cross-border collaboration
- Environmental protection
- Skills development
- Legal framework
- Promotion of investments and trade
- Cultural activities
- Youth programs
- Promotion of natural resources
- Rural development and infrastructure
- Social Issues
- Urban regeneration

12. What is the current link between the local development strategy and cross-border activities?

- Current cross border activities play minor role for the implementation of the local development strategy
- Current cross border activities play major role for the implementation of the local development strategy

13. What the present limitations are in your opinion of cross border interactions with neighboring countries?

- Lack of communication and information
- Legal framework
- Limited opportunities
- No leadership
- Lack of funds
- Too many difficulties
- Political climate and situation
- Lack of personnel
- Lack of joint cultural and social activities
- Current way of cooperation

14. What are the opportunities arising from cross-border cooperation?

- Cultural and social exchange
- Trade of goods and services
- Tourism
- Environment
- Other
15. List three priority actions for promoting development in your area?
   1.______________________________________
   2.______________________________________
   3.______________________________________

16. Please list three main barriers that impede the promotion of the legal and administrative framework for local development and cross border relations (rang from 1-most important to 3-least important)
   1._____________________________
   2._____________________________
   3._____________________________
7.2 Annex 2: Cultural and Natural resources

(a) Cultural Heritage

More than 6 ethnical cultures (Albanian, Macedonians, Gorans, Serbs, Turks, Roma and Bosnians) are living in the Sharra cross border area. There are also two religions that are prevalent throughout the region - Muslim and Orthodox. People living here have own traditions, languages and styles of living.

These have provided the region with big cultural heritage that shows the live and ethnical mixture as well as the influence from many cultures in the region during years.

Following are the places and monuments that are composing the cultural heritage in the region.

<table>
<thead>
<tr>
<th>Place/Monument</th>
<th>Type</th>
<th>Location</th>
<th>Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holy Virgin Mary</td>
<td>Church</td>
<td>Tearce</td>
<td>Tearce</td>
</tr>
<tr>
<td>St. Petka</td>
<td>Church</td>
<td>Varvara</td>
<td>Tearce</td>
</tr>
<tr>
<td>Lesok</td>
<td>Monastery</td>
<td>Lesok</td>
<td>Tearce</td>
</tr>
</tbody>
</table>

**Holy Virgin Mary** known as the “Bogorodica Kelije” is a church dedicated to the Dormition of the Virgin in the village Tearce. The church is located above the village in a place called “Kelije”- Gradiste. According preserved walls, here was located the old church “Holy Virgin Mary”. Today there are only ruins from the church. Following this tradition archaeologist Mild Aleksova in 1954 carried out archaeological research and discovered that the church. From the marble slab discovered in 1975 it is revealed that the church was built between 1618-1622. According discovered artifacts and buildings around the church that were located, there was a medieval settlement from the Slavic period.

**St. Petka** is the main church in village Varvara. In the past, under the village had an old ruined church dedicated to St. Petka of Roman. Around 1900, some of the residents have built a temporary church made of mud and wooden sticks. Later, at the same place, the villagers have built a small chapel and dedicated to the same saint. In 1970 the church was restored and painted. The patron of the church is celebrated on August 8 on the day of St. Petka.

According oldest information, the **monastery of Lesok** originates from the first half of the XIV century, more precisely from 1326. Lesok church is in the shape of a triconchos and there are three layers of frescoes on the walls from different periods. The bottom layer is from the time of the construction of the church, the second one is from the 17th century and the last layer is from 1879. The Lesok church is dedicated to Saint Atanasie and was built by a monk Joanakie, later the first bishop of Dolen Polog, during the foundation of the first Polog eparchy, between 1348-1355. The Lesok monastery with the church of Sveta Bogorodica (Holy Mother), were renovated and converted into monastery in the early 19th century by Kiril Pejcinovic. Before the 17th century the Lesok monastery was restored by the bishop of Polog, Nikanor. Around 1698 the Lesok monastery was seriously damaged in a severe storm. The waters from the mountains flooded the Lesok monastery, and the monks abandoned it. Since then, and all the way to 1927, the Lesok monastery was in ruins. The Lesok monastery’s conchs were built with the arrival of the famous Macedonian educator Kiril Pejcinovic in 1818. In honor of the educator Kiril Pejcinovic, who is buried in its yard, this monastery hosts an International Meeting of Literary Translators. The Lesok monastery, Saint Atanasius was bombed by Albanian rebels in the 2001 Macedonia conflict, but has since been rebuilt.
Gradishte established settlement in late antic time. On the northwestern edge of the village raises a high hill with steep slopes which dominate above the surrounding terrain. On top there are remains of a fortress with towers. According the building of the walls, the fortress was first protected from northern side, and later from south. The fortress has an irregular triangular base with dimensions of 120 m in north-south direction and 50 m east-west. In the lower part of the archeological site, foundations of buildings can be seen. The remaining of ceramic dishes and coins from IV and V century were found.

Kale - Small Orman is an established settlement in late antic time. On 3 km northwest of the village, at the banks of the river Livadichka River steep cliffs rise, that have elongated plateau surrounded by debris from the turret sedan from crushed stone and lime mortar.

Above Belovishte there is place called Petacko Vodice. There is a little church “Sent Petka” and the legend says that the water that is flowing from there is healing for the eyes.

Belovishte- Near Pole settlement, in the valley which is placed 2.5 km south of the settlement there are remains of an older village (vikus). By excavation of the field there were found pieces of Romans’ tegulae and bricks, pottery pieces, stone foundations and Romans’ coins.

Podbregje- the Manastirishte settlement lays on 2 km west of the village, where different antic elements can be found. Pieces of marble column and late Romans bricks; marble flagstones and big trimmed flagstones made of stone are just some of the findings in this area.

Tudence- north-eastern of the village is placed the settlement Selishte, where remains of a church dedicated to St. Petka (XVII century) are found.
Gazi Sinan Pasha Mosque, a mosque constructed by the Albanian Grand Vizier, Ottoman military commander (pasha) and statesman, Sinan Pasha. The mosque has been constructed in the XVI century.

**Kulla e Mic Skolit**, is a building that represents the type of three floor tower with wooden stairs of the Gjakova highland. There is in each floor a typical environment, prison, women's chamber, chamber of friends. The external stairs are wooden, arising to wooden porch with wooden mattress. This building has double value, historical and typological, which refers to the figure of the patriot Mic Sokoli. It was declared as a monument in 1973, but restored in 1976-1978.

**Kulla e Qendreses**, is the first monument of a common history of a divided nation. It was built starting from 2003 and completed in 2007. Its high is around 18 m and has 400 square meter basement. On the 16th of April, 2000 it was set by the Albanian Parliament as an official date of commemoration of the exodus. Kulla e Qendreses is a historical monument in the form of a tower with open doors and windows. It is similar to the characteristic towers of Kukes, the city that hosted more than 500 thousand Kosovo people. A group of intellectuals had the idea of cross-border memorial obelisk. Its' founder is the sculptor of Kosovo, Xhavit Lokaj.

**Shkolla e Internatit Kosovar**, is a two storey stone building. The composition is symmetrical with four settings on each floor of the associates with crossroads. This is the first school that was opened in the region before the year 1936, teachers were mainly from Kosovo. This monument was declared in 1973 by the Ministry of Education and Culture.

**Shapella e Dragobise**, is a cave is situated in Tropoja, northwest of Dragobi village. It extends from the right of the Valbona Valley, and is formed in limestone and dolomites, located between the beech forests in a much protected position. It is a very special natural monument and has attracted many domestic and foreign tourists. It was declared as a monument in 1977 by the Ministry of Education and Culture.

### Place/Monument Type Location District

<table>
<thead>
<tr>
<th>Place/Monument</th>
<th>Type</th>
<th>Location</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prizren Fortress (Kalaja)</td>
<td>Fortress</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Arasta Minaret</td>
<td>Minaret</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Emin Pasha’s Mosque</td>
<td>Mosque</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Gazi Mehmet Pasha’s Mosque</td>
<td>Mosque</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Kërëk Mosque</td>
<td>Mosque</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Kukli Bej Mos</td>
<td>Mosque</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Myderiz Ali Efendi Mosque</td>
<td>Mosque</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Kaderi the Kurila Tekke (Teqja Kaderi e Kurilës)</td>
<td>Tekkes</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Rufa’i Tekke (Teqja e Rufaive)</td>
<td>Tekkes</td>
<td>Prizren</td>
<td>Prizren</td>
</tr>
<tr>
<td>Saraçhane Tekke (Halveti Tekke, Teq ja e Saraçhanes)</td>
<td>Tekkes</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Church of St Nicholas</td>
<td>Church</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Episcopal Church of St George</td>
<td>Church</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Holy Archangel Monastery</td>
<td>Church</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Albanian League of Prizren Museum</td>
<td>Museum</td>
<td>Prizren</td>
<td>Prizren</td>
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<tr>
<td>Archaeological Museum</td>
<td>Museum</td>
<td>Prizren</td>
<td>Prizren</td>
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</table>
Archeological findings prove the existence of an active life in the territory of Prizren today since antiquity and beyond, when it was known as Theranda in this region lived a population of pure Illyrian Dardania. In the eleventh century is recognized as an important urban center. In 1019, mentioned as headquarters of the Byzantine Empire Church. During Serbian rule (XII-XIV century), the region was inhabited by Slavic population. In the reign of kings Dusan and Uros, Prizren was the seat occasionally their kingdoms.

After the conquest by Ottoman Empire (1455), although temporarily lost its significance, it soon became powerful most important economic trading Albanian territory with approximately 1,500 stores at the end of this period.

**Prizren Fortress (Kalaja)** - Strategically dominating the town, the deep Lumbardhi valley and the Dukagjini plains, the ancient fortress has been a place for defense and refuge since prehistoric times. On top of the 500-metre high Cvilen hill, the fortress has been significantly expanded and strengthened in Byzantine and Ottoman times and used until 1912.

**The Runner of Prizren** - The earliest and most famous archaeological find in Prizren is the Runner of Prizren (Vrapuesja e Prizrenit), a bronze figure of a running girl, which may have been attached to a vessel or a utensil. According to specialists at the British Museum it was possibly crafted in Sparta around 500BC. It may have reached Prizren as a precious gift or as loot, and used as a grave offering before it was discovered in the 19th century.

**Mosques**

Prizren has no less than 30 mosques coming from the Ottoman period. There is about one mosque per city district. Most known mosques are the following:

**Arasta Minaret (Xhamia e Evrenos Beut, Arasta)** - only a minaret marks the spot where once a mosque complex (1594 year) of nearly 300 square meters have stood here. The complex has held the mosque and crafts shops spreading to the bridge across the river.

**Emin Pasha’s Mosque (Xhamia e Emin Pashës)** - late-Ottoman mosque, located on the opposite side of the hamam, built in 1831 by the famous Rrotulli brothers. Architecturally valuable and decorated with arabesques.

**Gazi Mehmet Pasha’s Mosque (Bajrakli Xhamia** - large and elegant building with many windows, this mosque from 1561 lies directly behind the Albanian League Museum and forms a fantastic Ottoman-era ensemble together with the museum, a handful of period buildings across the street and the nearby hamam, which also belongs to this mosque. The calm gardens have benches and overlook the complex with a hexagonal mausoleum that was built for the founder and two schools. Inside, under the spacious dome are a marble mihrab and mimber.

**Kërëk Mosque (Kërëk Xhamia, Namazxhah)** - Prizren’s first Muslim prayer place, built during the invasion of Prizren in 1455. The mosque is built as a place of prayer for the Ottoman Army. It has raised stone floor and a minaret without stairs.

**Kukli Bej Mosque (Xhamia e Saraçhanes)** - Dates from 1534 and is unusual for having just one dome, covered with stone slabs. It’s part of the compound that also houses the Halveti Tekke, and the dervishes interestingly use this mosque for prayers as well.

**Myderiz Ali Efendi Mosque (Xhamia e Myderriz Ali Efendisë)** - small mosque from 1581 lies directly opposite the Catholic church. Hemmed in by a triangle of streets, the walls, the dome and halls are covered by clay tiles and the interior features a mimbar and mahvil.

**Tekkes**

There are three tekkes in Prizren, all coming from the Ottoman period.

**Kaderi the Kurila Tekke (Teqja Kaderi e Kurilës)** - The Qadiriyyah Sufi order is one oldest and most widespread in the Islamic world, arriving in Prizren around 1.500 when Horosanli Sheh Hasan Baba built this tekke north of the city centre. The semahane ceremony room holds the symbolic stones
that were used by first sheh to determine the building’s location, some ancient weapons, musical instruments and flags of various shehs with Arabic texts. The semahane is flanked by two smaller rooms, and two courtyards, one with an ancient fountain that’s decorated with Arabic script. Visitors are welcome, and can watch the two-hour ziker ceremony accompanied by prayers and ilahi music.

*Rufa’i Tekke (Teqja e Rufaive)* – the Rufa’i Tekke can be found west of the city centre behind the Gjon Buzuku school. The first sheh, Rufa’iyah, arrived in the Balkans from Istanbul in the late 19th century, and the current leader is Sheh Adrihusein Shehu. The interior walls are decorated with paintings of ancient weapons, blades, and musical instruments used during rituals. The tekke celebrates Sultan Nevruz, an annual festival with traditional rituals that is named after the Persian novruz, or new day. That day, dervishes pierce

*Saraçhane Tekke (Halveti Tekke, Teq ja e Saraçhanes)* - The Halveti order tekke in Prizren was built by Sheh Osman in 1713, and is the most atmospheric of all Prizren tekkes, situated right in the centre of town near the hamam, the historic Sheh Hasan House and beside the Saraçhane mosque which the dervishes share with Muslims for prayer. The tekke is a walled compound with various buildings surrounding a wonderful courtyard with bubbling fountains, ornate stone carvings, and a garden. Around it are the semahane which is the main ceremony room, a mausoleum for the Halveti shehs, and a living room for the dervishes.

**Churches**

There are also a lot of charges in the city due to the Christians presence that is in the region with centuries. There are orthodox and Catholics living in Prizren. Most famous charges are:

*Church of St Nicholas (Kisha e Shën Nikollës, Crkva Svetog Nikole)* - Also known as Tutić’s Church, this is a typical feudal family church with wonderful architecture and good fragments of frescoes executed by the same artists who did the frescoes in the St. Savior. A preserved stone inscription reports that it was built in 1331 by local landowner Dragoslav Tutić (later as a monk called Nicholas) and his wife Bela. Beyond, the grand Episcopal-Metropolitan Residence which was reconstructed in 2008, is the official residence for the bishop of the Prizren Diocese, founded in 1018.

*Episcopal Church of St George (Kisha e Shën Gjergjit, Crkva Svetog Đorđa)* - A prominent monument in the city centre, the large Episcopal Church from 1887 is situated on the site of an earlier church. The interior was originally richly decorated with ashlar stones, polished onyx, marble panes, frescoes, icons gathered here from various churches, and a wooden iconostasis. Restoration by a multi-ethnic team of craftsmen was recently finished, and work on the white marble interior was completed in early 2010. Casual visitors are welcome to have a look inside after asking permission from the police stationed outside. Right beside the Episcopal Church stands the small Church of St. George, or Runović’s Church, from the 14th-16th century. This picturesque single-aisled chapel has a barrel vault and used to be richly decorated with 16th century frescoes.

*Holy Archangel Monaster (Manastiri I kryeëng jëjve, Manastir Svetog Arhanđela)* - Just outside the city on the main road into the Sharri Mountains National Park is what at first glance appears to be a KFOR base. The Holy Archangel Monastery is a holy site of immense importance to the Serbian Orthodox Church. Built between 1343 and 1352 as a burial site for the Serbian emperor Stefan Uroš IV Dušan (circa 1308-1355) at his own command, the complex once contained a monastery and two small churches. In the 15th century, the site was abandoned and used as a quarry for Prizren’s Sinan Pasha Mosque. The complex was damaged in 1999 and 2004 and all that remains now are a few buildings dating from the late part of the 20th century, where eight monks live under constant protection. In 1927, Stefan Dušan’s remains were moved to Belgrade, and visiting the site is nearly impossible, and even photography is forbidden.

**Museums**

*Albanian League of Prizren Museum (Muzeu Lidhja Shqiptare e Prizrenit)* - one of Kosovo’s most important historical sites, the Albanian League of Prizren Museum is a complex of four buildings which has seen plenty of change of the past decades as the buildings were first relocated due to road construction in the 1960s, and destroyed by Serbian forces in 1999. Now completely reconstructed,
the museum is important to ethnic Albanians, Bosniaks and Turks across the region as it is the place where patriots and intellectuals from Kosovo, Macedonia and the Sanxhak region gathered. Still, the traditional wooden house within the compound is quite beautiful, with a half open porch, an old door and many decorative wooden elements. Upstairs, look for the wonderful and very heavy xhubleta traditional dress and the collection of patriotic paintings. At the entrance of the compound go to the first floor of the quaint and creaky library building to see evocative photos from the 19th and 20th centuries.

**Archaeological Museum (Turkish bath with clock tower, Muzeu Arkeologjik)** - once functioning as a Turkish bathhouse and built by Ahmet Shemsedin Bey in 1498 although possibly dating to back before this time, Prizren's recently renovated Archaeological Museum first opened its doors in 1975. Now fully renovated in one of the loveliest interiors in Prizren, the museum holds over 800 items of archaeological interest from antiquity to the 19th century, discovered in Prizren, Dragash, Rahovec and Suhareka. A fascinating insight into the history of the region, the building also features a clock tower built towards the end of the 19th century with Baroque elements by Eshref Pasha.

b) Natural Heritage

The following are the most characteristic natural resources that the region possesses.

**Sharra Mountain** has very rare animal and plant species, as well as nature that need to be protected and sustained. The first step towards protection of Sharra Mountain has been taken by Municipality Shtrpce (Kosovo), who has declared the mountain as National Park10. Other municipalities, with their countries respectively are in the process of declaring Sharra Mountain as National Park.

**The Shishtavec area** is situated 31 km southeast of Kukes City and can be accessed through the Vanave Gorge. Shishtavec has beautiful, Alpine pastures and is considered as one of the most beautiful natural monuments in the area.

**The Bicaj area** is situated between the Bicaj Canyon and the highlands of Teje and Gjallica Mountain providing a route through the Teje Highlands, Lera e Sorrave, Kroi i Bardhe and up to Shishtavec. A unique natural monument is the Teje Highlands of Gjallica Mountain and Lera e Sorrave offer spectacular views.

The region has also diverse hydrographic characteristics.

The Drin River, that starts with the confluence of its two headwaters, the White Drim and Black Drim, is starting its flow from Kukes, until its end in the Adriatic Sea. The river has length of 335km. This river have big water potential and is very important for the Albanian economy due to the three dams that are build over its cascades and that supply big part of Albania with electricity. White Drim River and Bistrica run through the territory of Municipality of Prizren as well.

There is a manmade lake between the borders of Kosovo and Albania, the Lake Fierza. The size of the lake is 73 km²; of which 2.16 km² belong to Kosovo. The lake is 70 km long and has a depth of 128 m. On the Albanian side of the lake there are many canyons and some small islands. On the territory of the region there is one more lake - Lake Vermice located in the Municipality of Prizren.

The Vardar River as largest river in Macedonia (301km) runs throughout the municipality of Jegunovce. This river runs through the nort-east part of the municipality with length of approximately 20km.

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10 The Sharra Mountain area that is within the borders of Municipality of Shtrpce is protected as National Park.
### 7.3 Annex 3: Strategic matrix

#### Strategic Goals for the priority area: Environment

**Strategic Goal 1:** Creation of an integrated approach for protection and management of natural resources for the purposes of economic development based on sustainable principles.

<table>
<thead>
<tr>
<th>Objective 1: Protection of environment and management of natural resources through regional institutional cooperation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Strengthening the capacities of public sector institutions in the Region for regional cooperation for protection of the environment and management of natural resources.</td>
</tr>
<tr>
<td>1.2 Development of Regional Ecological Action Plan for the Region and definition of management body for its implementation</td>
</tr>
<tr>
<td>1.3 Development of Local Ecological Action Plan for each municipality – member of the Region and/or revision of the old LEAPs for the municipalities who already have developed such documents</td>
</tr>
<tr>
<td>1.4 Identify capital and endangered natural resources and develop common methodology for protection and management of these resources</td>
</tr>
<tr>
<td>1.5 Support the process of declaration and establishment of national Park Sharra on the entire territory of the mountain and support the process of declaration of it as a Cross – Border National Park Sharra</td>
</tr>
<tr>
<td>1.6 Improve the protection of water resources at local level and establish regional approach of protection of river basins</td>
</tr>
<tr>
<td>1.7 Establish mechanisms for regional protection of forests and regional fire fighting system</td>
</tr>
<tr>
<td>1.8 Establish regional protection of the endangered species of flora and fauna</td>
</tr>
<tr>
<td>1.9 Support public private partnership for protection of the environment and management of natural resources</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 2: Involve citizens in protection of environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Increase regional public awareness about the benefits of protection of environment</td>
</tr>
<tr>
<td>2.2 Support to NGOs to strengthen their capacities for protection of environment, regional cooperation and networking</td>
</tr>
<tr>
<td>2.3 Introduce Community Based Natural Resource Management at local level in order to involve local communities in activities designed to ensure their own participation and contribution the processes of decision making and management of environment and natural resources</td>
</tr>
<tr>
<td>2.4 Support schools and teachers to integrate environmental issues concerning the Region in their course syllabus and/or extracurricular activities.</td>
</tr>
</tbody>
</table>

**Strategic Goal 2:** Development of an effective system for waste management

<table>
<thead>
<tr>
<th>Objective 1: Improvement of cooperation for waste water management for protection of water basins with regional character.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Improve regional approach in protection of man - made lakes</td>
</tr>
<tr>
<td>1.2 Construction of waste water collector/filter stations for Lake Fierza</td>
</tr>
<tr>
<td>1.3 Reconstruction of old and construction of new waste water filter stations in the region</td>
</tr>
<tr>
<td>1.4 Development of cross-border strategies/action plans for waste water management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 2: Improvement of regional cooperation for solid waste management.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Improve local capacities for collection, disposal and management solid waste</td>
</tr>
<tr>
<td>2.2 Support establishment of inter municipal cooperation for establishments of joint mechanisms and practices for management of solid waste</td>
</tr>
<tr>
<td>2.3 Development of cross-border strategies/action plans for solid waste management</td>
</tr>
<tr>
<td>2.4 Explore opportunities to establish regional centres for management of solid waste</td>
</tr>
</tbody>
</table>

#### Strategic Goals for the priority area: Regional Economy
### Strategic Goal 1: Create conditions for use of the existing natural and economic potentials for economic development of the region

**Objective 1:** Establishment of a basis for regional economic development

1.1 Development of regional studies for sustainable use of natural resources for the purpose of economic development

1.2 Assessment of the potentials for economic growth through identification and prioritization of the economic sectors

1.3 Development of strategy for marketing and promotion of regional economic potential

1.4 Support cooperation and networking between public institutions, education-research centres and businesses

**Objective 2:** Development of regional infrastructure for support of the regional economy

2.1 Establishment of business support centres – incubators to support small and medium size enterprises in the Region

2.2 Strengthening capacities of public institutions in local/regional planning and project management

2.3 Support establishment of Regional business chamber – a cluster organized network that will facilitate exchange of information and joint marketing

2.4 Support businesses in identification of funds and preparation of project proposals and applications

### Strategic Goal 2: Increase the competitiveness of the region and providing a skilled and educated workforce to the needs of the economy

**Objective 1:** Promoting comparative business advantages of the Region

1.1 Development of a Study for identification of the comparative business advantages of the Region

1.2 Development of a Marketing strategy for investment in order to familiarize potential investors with macro-economic framework of the region, the existing technical infrastructure, resources and advantages and tendencies for improving the work of local and state administration in the region.

1.3 Intensification of cooperation and coordination with national institutions in charge of finding foreign investment

**Objective 2:** Capacity building of the regional workforce to the needs of the economy

2.1 Assessment of the current education and training provision with job requirements

2.2 Assessment of the knowledge and skills needs of new entrants to a variety of business entities

2.3 Support to Regional development agencies and other training institutions to provide training or retraining of the workforce in accordance to the needs of the economy

### Strategic Goals for the priority area: Tourism and Culture

**Strategic Goal 1:** Promotion of authentic and comparative advantages of the Region in creating an integrated tourist offer.
### Strategic Goal 1: Development of tourist products based on the authentic and comparative advantages of the Region

**Objective 1:** Development of tourist products based on the authentic and comparative advantages of the Region

1.1 Assessment of the natural and anthropogenic/cultural resources for the purposes of development of tourism

1.2 Preparation of Regional Study for mapping the touristic potentials of the region through assessment of the authentic values and comparative advantages

1.3 Development of regional tourist offer based on integration of the common values and comparative advantages

**Objective 2:** Creating an integrated tourist offer

2.1 Institutional support for development of tourism through creation of a Regional Tourist Information Center and its branches within the Region

2.2 Development of Regional Strategy for promotion of touristic potentials and offer

2.3 Provision of trainings for customer care and development of quality touristic services to interested stakeholders from the Region

2.4 Development of touristic offer based on the regional traditional food and cultural heritage

### Strategic Goal 2: Support of the development of sustainable alternative (eco, rural, transit and cultural) tourism and tourism infrastructure

**Objective 1:** Support to development of sustainable alternative tourism

1.1 Development of regional touristic products that integrate rural, eco and cultural activities

1.2 Development of regional thematic tourist routes

1.3 Support local population through training for utilization of national/EU (IPRAD) and international funds for development of rural tourism

1.4 Secure networking and exchange of information between tour operators, hoteliers, restaurateurs and farmers

1.5 Identification of potentials for provision of services to transit tourists

**Objective 2:** Support to development of tourism infrastructure

2.1 Preparation of technical and project documentation for development of touristic sites

2.2 Construction of tourist infrastructure and infrastructural arrangements at touristic sites

2.3 Identification of locations and construction of tourist info points for transit tourists

2.4 Joint approach for development of project applications for renovation of old cultural - historical monuments on the territory of the Region

## Strategic Goals for the priority area: Regional Infrastructure

### Strategic Goal 1: Improve the infrastructure and energy potentials in the region through support from national and European funds

**Objective 1:** Improve regional road and interconnection infrastructure

1.1 Development of feasibility study for increasing the interconnection of the Cross – Border Region and opening additional border crossing

1.2 Preparation of technical documentation for cross – border and regional road connectivity between municipalities within the region

1.3 Reconstruction of local infrastructure that have capacities to impact the economic development of the Region

1.4 Reconstruction of regional road infrastructure

1.5 Construction of new road infrastructure that will interconnect the Region

1.6 Reconstruction of the existing border crossings and construction and opening of new ones

**Objective 2:** Improve regional communal infrastructure

2.1 Preparation of technical documentation for reconstruction of regional water supply and waste water networks.

2.2 Reconstruction of old water supply infrastructure and construction of new in residential areas

2.3 Construction of waste water and sewerage filter stations

2.4 Preparation of technical documentation and regulation of river-beds in the Region

### Strategic Goal 2: Sustainable use of renewable energy sources (wind, sun, water and biomass)
<table>
<thead>
<tr>
<th>Objective 1: Create conditions for investments in renewable energy sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Development of Regional Feasibility Study for utilization of renewable energy sources</td>
</tr>
<tr>
<td>1.2 Lobbying in front of national authorities for harmonization and alignment of legislation related to renewable energy sources</td>
</tr>
<tr>
<td>1.3 Develop measures to support public private partnership in production of energies based on renewable energy sources.</td>
</tr>
</tbody>
</table>

Strategic Goals for the priority area: Agriculture and Rural Development

**Strategic Goal 1:** Creating the conditions for regional sustainable agriculture based on production of healthy traditional products

<table>
<thead>
<tr>
<th>Objective 1: Protection and branding of traditional agricultural products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Identification of agricultural and food products that have potentials for branding as traditional products with regional origin</td>
</tr>
<tr>
<td>1.2 Support businesses to brand their agricultural and food products</td>
</tr>
<tr>
<td>1.3 Support farmers to standardize the production of agricultural products and food by using traditional methods</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 2: Enhance efforts for production of competitive healthy food through regional cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Introduce new technologies in production of agricultural products</td>
</tr>
<tr>
<td>2.2 Support reintroduction of traditional crops</td>
</tr>
<tr>
<td>2.3 Training of farmers to implement EU standards and systems in agricultural production (EUREPGAP/GLOBALGAP)</td>
</tr>
<tr>
<td>2.4 Improve the existing methods of plant protection and use of fertilizers</td>
</tr>
<tr>
<td>2.5 Support to farmers and economic subjects while introducing/reintroducing and increasing the herds of indigenous breeds</td>
</tr>
<tr>
<td>2.6 Training of farmers for creation of modern conditions for livestock breeding.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 3: Increase the capacities for organic farming in the region</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Assist farmers to start with organic production through institutional, legal and financial to transition to organic production</td>
</tr>
<tr>
<td>3.2 Establish Organic Production Advisory Services at Regional basis</td>
</tr>
<tr>
<td>3.3 Create network between organic producers, processors, and traders</td>
</tr>
</tbody>
</table>

**Strategic Goal 2:** Creating conditions for rural development in the region through sustainable utilization of natural and anthropogenic resources

<table>
<thead>
<tr>
<th>Objective 1: Support diversification of rural economies through improvement of the conditions for development of small businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Coordination of the process and development of local policies for attracting investments in rural areas.</td>
</tr>
<tr>
<td>1.2 Creating a competitive workforce in the rural areas through training qualification and requalification</td>
</tr>
<tr>
<td>1.3 Support the introduction of international standards by small and medium enterprises working in rural areas</td>
</tr>
<tr>
<td>1.4 Institutional support for establishment of family and small businesses in rural areas</td>
</tr>
<tr>
<td>1.5 Development of entrepreneurial capacities of the rural population with focus on youth and women</td>
</tr>
<tr>
<td>1.6 Training of local population for utilization of national/EU (IPRAD) and international funds for rural development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 2: Developing trade and buy-out of wild gathered products - herbs in rural areas in accordance to the EU standards and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Raising awareness and educating the population about the qualities of the Region and its comparative advantages for gathering of wild herbs for food production, pharmaceuticals and cosmetics through employment of old and new technologies, systems and standards.</td>
</tr>
<tr>
<td>2.2 Educating people about proper treatment and gathering of wild gathered products, due to sustainable utilization of natural resources</td>
</tr>
<tr>
<td>2.3 Supporting the organizational development and performances of entities dealing with the collection and trade of wild gathered products by creating an association of collectors and traders of wild gathered products.</td>
</tr>
<tr>
<td>2.4 Support the entities dealing with the collection and trade of wild gathered products to participate at fairs and other related events</td>
</tr>
</tbody>
</table>
Annex 4: Projects Description

The thematic groups succeeded to develop two projects:

1.

<table>
<thead>
<tr>
<th>Project Name: Protection and Sustainable Development of Natural Resources and Biodiversity in the Sharra Mountain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Area: Environment</td>
</tr>
<tr>
<td>Strategic goal: Strategic Goal 1: Creation of an integrated approach for protection and management of natural resources for the purposes of economic development based on sustainable principles</td>
</tr>
<tr>
<td>Strategic objectives: Objective 1: Protection of environment and management of natural resources through regional institutional cooperation.</td>
</tr>
<tr>
<td>Action: 1.1 Strengthening the capacities of public sector institutions in the Region for regional cooperation for protection of the environment and management of natural resources.</td>
</tr>
<tr>
<td>Justification and brief description: As it is described in the Joint Programming Documents for Cross Border Cooperation, there are good possibilities for cross-border co-operation in the fields of the preservation of protected areas, and the protection and sustainable management of natural resources. In particular, the Sharra area offers excellent opportunities for co-operation between the three countries for protecting the environment and managing and utilising the natural resources. The environment and biodiversity of the Sharra Mountain are unique and should be seen and understood as being key assets for the region's future development. In this context, it is of crucial importance to put in place effective strategies and structures to protect and manage these resources in a sustainable way. In this regard, this project will ensure a sustainable protection status for the Sharra Mountain. The cross border impact will be very significant, since the establishment of a Biodiversity Reserve (BR) concept as a cornerstone in achieving the objective of strengthening and developing cross-border cooperation for the conservation, and sustainable development of natural resources and biodiversity of the Sharra Mountain. On the other hand, the establishment of the Training Centre will provide opportunity for the joint training programmes for the local people of the border region, particularly for the youth. The envisaged future BRs will lead to the realisation of common interests through a wide range of cross border initiatives such as: – Common strategies for BR development and maintenance – Close co-operation for nature conservation and the protection of biodiversity – Joint programmes for scientific research – Close collaboration for the design of monitoring system – Joint production of information materials – Joint tourism planning, marketing and promotion – Joint marketing of local products – Cultural exchanges. Crucial importance in the implementation of the Biodiversity Reserve concept has the involvement and commitment of all stakeholders to “play” together and equitably share the benefits from the sustainable use of natural resources. Especially valuable is the implementation of the concept in border areas. The countries concerned can develop mechanisms to share knowledge and experience and plan within coordination for the conservation and sustainable use of natural resources on both sides of the border. The expected results have to be seen in a three-national and multi-annual context.</td>
</tr>
<tr>
<td>Link with national legislation and national strategic documents (for each country) The Project is in line with the Law on Environment and National Strategy for Sustainable development of the Republic of Macedonia and with the National Environmental Action Plan and National Strategy for EU Integration of the Republic of Albania as well as with the Law on ENVIRONMENT and National Strategy for Environmental Protection of Kosovo.</td>
</tr>
</tbody>
</table>
**Link with AP / NPAA / EP / SAA:**
The project is in line with the priorities and strategic goals of the Stabilization and Association Agreement document of the countries.

**Link with MIPD**
The project falls under one of the MIPD main sectors for support – Environment and Climate Change and is line with the following priority for IPA support under MIPD: Help the Beneficiaries overcome the economic and financial crisis and prepare for sound recovery by jointly working on increasing competitiveness and investments in infrastructure.

**Project objectives:**
- Sustainable cross-border cooperation developed and strengthened for the conservation, and sustainable development of natural resources and biodiversity of the Sharra Mountain.
- All the necessary institutional, technical and social framework conditions have been established.

**Project results:**
- Inventory and the planning of the Sharra Mountain as a Biodiversity Reserve (BR) is completed.
- Cooperation between relevant institutions of all there sides is improved for the conservation, and sustainable development of natural resources and biodiversity of the Sharra Mountain.
- Training and awareness
  - Training Centre is established and fully operational.
  - Capacity is increased of central and local level, responsible for the implementation of the project and also for staff of other related local and national offices of ministries and institutions.
  - Nature protection consciousness and ecological awareness in the cross-border region is raised.
- Ensured sustainability of the project at the local level.

**Measurable indicators**
- Increased number of NGOs with cross-border activities.
- Increased number of other sustainable cross-border activities.
- Publications in national and internationally recognised journals.
- 3 thematic groups established.
- GIS/RS system is installed
  - Number and size of protected areas in the project region.
- Location of BR zones and BR boundary.
- Number of maps and reports.
- Undersigned protocol and cooperation programmes between relevant institutions.
- The number and quality of the education materials.
- Training manual and strategy developed.
- Education provided to 20 teachers.
- Education provided to 250 students.
- Web page domain is online.
- Number of press articles.
## Main activities:
- Inventory and Planning of the Sharra Mountain as a BR:
  - Installation of a GIS including spatial information of the regional inventory and thematic data for the different sectors (Agriculture, Forestry, Landscape Aesthetics, Tourism and Recreation, etc.):
    - A GIS system using international metadata and mapping standards will be applied to support the regional inventory. In addition to the digital GIS data, a set of thematic maps with results of the inventory and the planning of the Sharra Mountain as a BR will be printed.
  - Carrying out a comprehensive regional inventory of:
    - natural,
    - socio-economical,
    - administrative conditions and
    - analysis of the land use;
  - This will include a profound research and mapping of areas with a high ecological and aesthetic value, including landscape typical elements and areas with a high potential for sustainable recreational activities, nature protection, organic farming and sustainable forest management.
  - Definition and mapping of the borders of the BR and the BR zones (core, buffer and transition area).
  - Collaboration: Cooperation between relevant institutions of both sides will have been improved for the conservation, and sustainable development of natural resources and biodiversity of the Sharra Mountain.
  - Informing all stakeholders including the general public and involve them in the BR planning process through workshops and thematic working groups.
  - Establishment of thematic working groups including relevant authorities, NGOs, municipalities, representatives of farm owners, tourism service providers and local citizens in order to identify possible activities for the nature conservation and rural development. The groups will be moderated and facilitated by MoEF.
  - Developing an information and communication system for the Sharra Mountain, including web services such as web mapping and content management systems.
  - Initiating and sustaining the exchange of information, strategies and plans in relevance with this project between the related authorities in Macedonia, Kosovo and Albania and improving common standards for the sustainable management of the natural resources in the project area.
  - Preparation of the protocol and cooperation programme between Sector (Directorate) of Forest Enterprises, University and Research Institutes, relevant Ministries and General Directorates, Non-Governmental Organizations, Local Governments, Village administration and other relevant authorities inside Sharra Mountain.
  - Training and Awareness
    - Training:
      - Renovation of the building as a Training Centre in the Sharra Mountain region. (Works)
      - The Training Centre will be equipped with the adequate computer facilities and office equipment. (Supply)
      - Preparation and development of the training strategy and training manual for the Training Centre
      - Preparation of the education materials for the Training Centre: The education materials and courses curricula will be edited in the Albanian, Macedonian, Serbian and English languages. Education programmes targeting children in different age segments will be designed. A computer specialist will be hired to develop ad hoc software for all the educational materials and programmes produced.
      - Training of the trainers
      - First teachers will be trained on nature preservation; protection and management to enable them to teach such issues in schools and to better guide their classes during visits to the park. Then children education programmes will start being implemented. The foreseen training activities will be organised for both sides of the border. Training will be open to Albanian, Kosovar and Macedonian schools.
      - Capacity building: Capacity is increased of central and local level, responsible for the implementation of the project and also for staff of other related local directorates of ministries and institutions:
        - Trainings for MoEnv staff at central and local level, responsible for the implementation of the project and also for staff of other related local directorates of ministries and institutions.
        - Developing a strategy for the further funding periods to train counterparts from municipalities, NGOs and public authorities concerning nature conservation, sustainable management of natural resources, rural development and environmental issues.
        - Study Tours and exchange programmes to EU member countries in order to share experiences, including organization of meetings for exchanging information and know-how between Macedonian, Kosovar and Albanian authorities.
    - Awareness:
      - Promotion of Sharra Mountain region, including preparation of relevant awareness building material – radio and TV programmes, publications, videos, a website, seminars, field visits, organization of meetings for local people etc.
      - Seminars and workshops on the alternative income generating nature friendly activities for the inhabitants, particularly for the youth and women of the region.

## Target group:
Rural population from 20 rural communities from the Region, Municipal administration, public companies for forestry management and CSOs focusing on environment – biodiversity protection

## Implementation period:
2 years
### Assessment of the sustainability and impact

A general improvement of the living and income situation of the region is expected, due to the creation of the BR with a strong external mirror effect. Increasing the awareness for ecological issues and skill building in terms of sustainable management of the natural resources for agriculture, tourism and forestry can be seen as a long-term investment for future generations.

### The main risks:

Hand-over of the project to the Local and Regional Authorities, Low interest of the stakeholders; Lack of political will to support development of BR, Lack of Consensus on all levels;

### Estimated costs and sources of financing/co financing:

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>Source of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7 million €</td>
<td>1.3 million € (TA)</td>
</tr>
<tr>
<td>400,000 Supply Contract</td>
<td></td>
</tr>
</tbody>
</table>

### The status of readiness of the project:

- a) Project is ready for implementation
- b) Positive study of prefeasibility
- c) Technical documentation and analysis of expenses
- d) Project proposal
- e) Project idea

### Partners involved:

- 20 municipalities from the Region (2 rural municipalities from MK, 3 municipalities from KS and the District of Kukes, consisted of 1 urban and 14 rural municipalities from AL)
- Local CSO
- Public forestry companies
- National institutions in charge for environmental management
- National park Sharra - KS
- people who are already engaged in biodiversity protection in the informal sector

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### 2. Project Name:

**Promotion of the cultural, tourist and human resources in the cross-border region**

### Priority Area:

**Tourism and Culture**

### Strategic goal:

**Strategic Goal 1:** Development of tourist products based on the authentic and comparative advantages of the Region

### Strategic objectives:

- **Objective 1:** Protection of environment and management of natural resources through regional institutional cooperation.

### Action:

1.3 Development of regional tourist offer based on integration of the common values and comparative advantages
Justification and brief description:

As it is described in the Joint Programming Documents for Cross Border Cooperation, there are good possibilities for cross-border co-operation in the fields of the preservation of cultural heritage and development of tourism. In particular, the Sharra area offers excellent opportunities for co-operation between the three countries for protecting the cultural heritage and development of joint touristic offer.

Some of the specific problems of the cross-border region that the project is trying to address are:

1. Lack of major producing industries or developments that could raise the employment rate.
2. Heavy, mostly mountain and semi-mountain terrain that slows the overall development and pre-conditions different economical difficulties.
3. Lack of economic, social and cultural interaction between the all three neighbouring regions
4. High emigration rates amongst the population, especially amongst the more educated young people.
5. Low overall education levels of the population and high unemployment rates.

The target area – Sharra mountain is of extremely rich cultural heritage. Populated from 2000 years BC the region contains many archaeological sites and cultural monuments. The target region develops in the Roman Period and later it extensively develops in the Medieval Age, when some of the major centres are established here. The region is strongly influenced by several cultures, religions and traditions: the presence of Roman, Illyricum and Slavonic cultures can be seen as well as the presence of the three major religions: The Roman – Catholic, Islam and Orthodox Religion. The region is abundant with many religious monuments which possess the status of Monuments of culture.

Presently the situation in the target areas with the preservation of the existing cultural heritage is quite difficult and meets the following problems:

- Inadequate funds in the national budget that would allow large-scale excavations, preservation activities and proper further use of the existing archaeological and cultural sites.
- Very high crime rate related to unsanctioned activities on archaeological and cultural sites, including criminal excavations and export of cultural values.
- Lack of uniformed solutions that would establish the connection of the cultural sites with the issues of regional renewal.
- Lack of preserving action for already excavated sites that lead to their partial or total destruction in the mid-term period.
- Inadequate level of activities run by local museums, including low level of excavation events, preservation activities lack the necessary expertise and equipment.
- Total lack of supporting infrastructure for already excavated sites – signs, roads, paths, illumination, security facilities, info-desks, toilets and others.
- Difficult or no access to certain sites due to heavy terrain or specific locations (caves, mountain tops).
- Lack of detailed information about existing sites, lack of joint data-base in the central administration and detailed mapping of the cultural heritage in the target districts.

At the same time the existing archaeological sites present the following opportunities:

1. High potential for the development of tourism, including cross-border tourism between all three countries
2. Very high scientific potential important for the cultural heritage of the wider Region
3. Interesting employment opportunities related to excavations, preservation activities and development of cultural tourism sites, open space museums and archaeological parks.
4. Strong options for joint activities with neighbourhood areas that could offer know-how and expertise, as well as directly participate in different actions, developing business cases for exploitation of the potential of the cultural heritage.

In the target area the tourism (and the related sectors) is possibly the most perspective sector. Tourism sector growth could have a positive influence not only on the sector itself but also on the development of related industrial and service sectors, employment and the general economic situation in the regions.

The current project aims to achieve several goals through integrated approaches – to directly aid the preservation of cultural heritage and tourism in the target districts, to stimulate the cohesion with the neighbouring areas in all three countries by joint actions and import of good practices and expertise, to raise the employment rate by creation of temporary and permanent employment opportunities and to stimulate the economical development in the field of tourism and other activities, related to cultural heritage.

The expected results have to be seen in a three-national and multi-annual context.

Link with national legislation and national strategic documents (for each country)

The Project is in line with the Law on Culture and Protection of Cultural Heritage as well as with the Strategy for development of culture and the Strategy for Sustainable development of the Republic of Macedonia and with the Law on Culture and National Strategy for EU Integration of the Republic of Albania as well as with the Law on ENVIRONMENT and Medium-Term Expenditure Framework 2008-2011 and The 2006 MCYS Strategy for Integrated Conservation of Cultural heritage of Kosovo.
**Link with AP / NPAA / EP / SAA:**
The project is in line with the priorities and strategic goals of the Stabilization and Association Agreement document of the countries: Accession Partnership and Promotion of Cross Bordered Cooperation.

**Link with MIPD**
The project falls under one of the MIPD main sectors for support of small and medium sized enterprises, protection of culture and creation of a climate of inter-ethnic tolerance. The project is in line with the following priority for IPA support under MIPD: Help the Beneficiaries overcome the economic and financial crisis and prepare for sound recovery by jointly working on increasing competitiveness and investments in infrastructure.

**Project objectives:**
- Promotion of the economic development, cultural resources and employment opportunities in the cross-border region;
- Establishment of cooperation networks between Macedonian, Kosovo and Albanian organizations in the area of cultural heritage management and tourism development;
- Increase the tourist attractiveness of the cross-border region.
- Encourage the potential for cultural, tourist and human resources development in the cross-border region.

**Project results:**
- A) Exchange of know-how and best practices in the sectors of tourism and cultural heritage management
  - Sub-activity a)
    - Conducted 4 specialized seminars for exchange of experience in the following areas: rural tourism, cultural tourism, SPA tourism, eco-tourism;
    - Organized 8 workshops for tourism companies with Macedonian, Kosovo and Albanian partners;
    - Transfer of know-how in management and marketing of tourist services accomplished;
    - Published book with best practices in the field of tourism development issued by the end of project activities;
    - Created data base and web-site for tourist companies, tourist sites and services in cross-border region;
  - Sub-activity b)
    - Defined historic periods, archaeological and heritage sites, potential tourist routes and partners within the border region;
    - Conducted 4 seminars with Macedonian, Kosovo and Albanian partners for the transfer of know-how and best practices related to the reconstruction and the conservation of archaeological and heritage sites;
    - Developed strategy for the revival of archaeological sites within the border region;
    - Elaborated models for the management of archaeological sites and their transformation into tourism centres;
    - At least 500 brochures and other information materials including best practices and models for the management and transformation of the archaeological sites into tourism sites issued;
    - 4 seminars (in each border region) for the dissemination of the results of the strategy and the developed models for management of archaeological sites;

**Measurable indicators**
- 10% increase in cooperation networks between Macedonian, Kosovo and Albanian organizations in the cross-border region;
- 10% increase in the stream of tourists in the cross border region one year after completion of project activities;
- 100 work places created one year after completion of project activities;
- 15 joint tourist routes, tourist packages and promotional campaigns developed;
- 10 cultural and tourist sites revived;
Main activities:

- A) Exchange of know-how and best practices in the sectors of tourism and cultural heritage management
  - This component comprises of two major types of activities:
  - a) Exchange of best practices between Macedonian, Kosovo and Albanian partners in the field of tourism development;
  - b) Exchange of best practices between Macedonian, Kosovo and Albanian partners in the sphere of revival and preservation of the cultural heritage, promotion of archaeological sites and their transformation into tourist sites;

The overall aim of the first activity is to enhance the exchange of information and best practices between the countries in the field of management and marketing of tourist services.

The objective of activity A will be achieved through conduction of 4 seminars, followed by 8 workshops. Two of the workshops will be held in Macedonia, Three in Kosovo and three in Albania. The participants will be from the regional authorities, municipalities, NGOs, companies from the tourist sector and branch organizations from the partner countries. They are supposed to discuss and share experience in the field of marketing and management of tourist services, tourism development and increasing the employment potential in tourism related companies. As a follow up of the seminars and workshops and collection of the necessary data, a book and a CD will be elaborated and issued. They will comprise of best practices in the field of tourism development and tourism services as well as areas and concrete ideas for future collaboration and joint activities. The book and CD will be issued in Macedonian, Albanian, Serbian and English. It will be disseminated among all involved parties. Also, a web site will be created. The contractor will be in charge of organizing seminars, workshops, issuing book and CD.

The overall aim of the second activity is to enhance the exchange of know-how and best practices between the Macedonian, Kosovo and Albanian partners in the sphere of revival and preservation of the cultural heritage and the transformation of the archaeological sites in the cross border region into tourist sites.

The contractor will be in charge of organizing and conducting the following sub-activities:

- Conduction of assessment related to the revival of archaeological and heritage sites in the border region.
  The assessment will be implemented through a detailed field survey on the existing archaeological and heritage sites in the cross-border region, the historic periods they are related to, the potential for the establishment of joint tourist activities for the sites and an indicative budget needed for the whole reconstruction and adaptation of one site. On the base of this assessment it is expected to identify the historic periods of joint interest and the archaeological and heritage sites that will be excavated/reconstructed, conserved and transformed into tourist sites under the second component of the project. It is also envisaged that eventual joint tourist routes could be specified.

- Transfer of know–how and best practices related to the reconstruction and the conservation of archaeological sites;
  The service contractor will have to organize four 2-day seminars in the targeted cross-border regions. It is proposed that the participants will be from the institutions and organizations described above as main beneficiaries. The overall objective of the seminars is to enhance the collaboration in the field of archaeological and heritage revival of the cross-border region through exchange of best practices about activities related to: excavations, reconstruction, conservation, adaptation of the sites, and development of related infrastructure and models for promotion of the cultural heritage. The conduction of the seminars will also contribute for the establishment of partnerships among the Macedonian, Kosovo and Albanian organizations and institutions operating in the field.

- Development of Strategy for the revival of archaeological and heritage sites within the border region;
  The development of the strategy for the revival of the archaeological and heritage will follow the conduction of the seminars and will utilize the results of the conducted assessment. Its aim will be to define the most appropriate ways for the complete adaptation of the cultural heritage in the cross-border region. For the elaboration of the strategy it is proposed to form a team comprising Macedonian, Kosovo and Albanian partners. The main elements of the strategy will include:
  - putting the concept of archaeological and heritage sites into perspective in the economical and social context
  - justification of partnership who could set up, manage and implement such a targeted project, professional expertise needed for integrated conservation such as social and economic skills to work with communities or in economic regeneration projects;
  - justification the social and economic impact of activities linked to the archaeological and cultural heritage;
  - Elaboration of models for the management of archaeological and heritage sites and their transformation into tourism centres;
The elaboration of models for management of the sites will be based on the developed strategy. The aim of the model is to give full description of the activities needed for the successful management of archaeological and heritage sites. It is also expected that the model will describe the administrative and organizational framework. The elaboration of the model will be based on the best practices developed by the international consultants and will be created by a team comprising representatives from the institutions and organizations described above.

- Elaboration and issuing of brochures and other information materials including best practices and models for the management and transformation of the archaeological sites into tourism sites;

  The information materials include such items as brochures, booklets, CDs describing best practices and concrete ideas for future collaboration and joint activities with the CB Region partners. The information materials will be oriented toward institutions and organizations operating in the field of revival of the cultural heritage. The information materials will be issued in Macedonian, Albanian, Serbian and English.

- Dissemination of the results of the strategy and the developed models for management of archaeological sites through conduction of seminars oriented toward interested organizations;

  The campaign for the dissemination of the results of the strategy and the models for management will be organized by the TA in the cross-border region. The campaign will be oriented toward all interested institutions and organizations.

**Target group:**
Rural population from 20 rural communities from the Region, Municipal administration, public authorities, public institutions, non-governmental organizations, companies from tourism sector etc

**Implementation period:**  2 years

**Assessment of the sustainability and impact**
As the proposed activities will be based on a broad partnership principle, it is expected that all aspects of the project will be sustained through the existing funding arrangements including national budget, the municipalities’ budget and private contribution.

**The main risks:**
Hand-over of the project to the Local and Regional Authorities, Low interest of the stakeholders; Personal involvement, commitment and awareness from the experts representing the partner institutions in the project implementation; Awareness about the revival of the region as a tourist destination;

**Estimated costs and sources of financing/co financing:** 0.7 million €

**The status of readiness of the project:**
a) Project is ready for implementation
b) Positive study of prefeasibility
c) Technical documentation and analysis of expenses
d) Project proposal
e) Project idea

**Partners involved:**
- 20 municipalities from the Region (2 rural municipalities from MK, 3 municipalities from KS and the District of Kukes, consisted of 1 urban and 14 rural municipalities from AL)
- Local CSO
- Public forestry companies
- National institutions in charge for environmental management
- National park Sharra - KS
- people who are already engaged in biodiversity protection in the informal sector