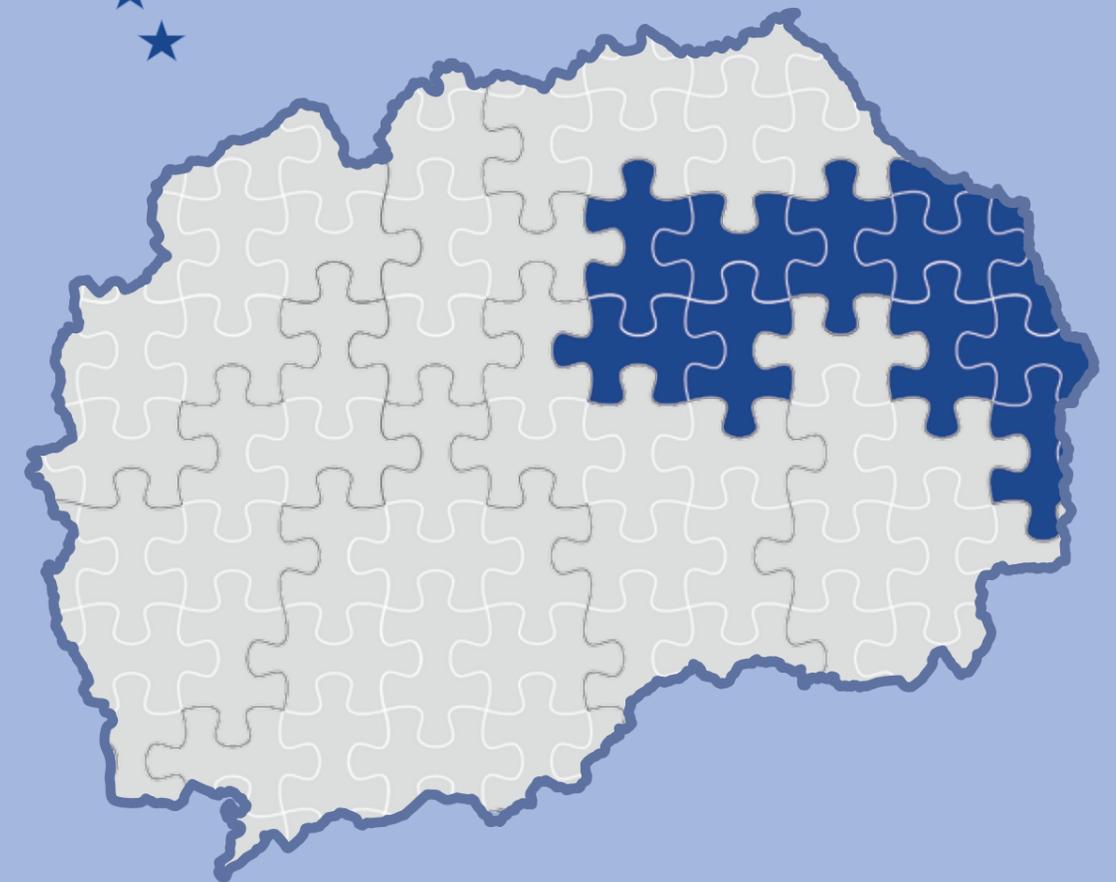


# PROGRAMME FOR DEVELOPMENT OF THE EAST PLANNING REGION

2015 - 2019



## Regional Economic Development



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by the European Union



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**Programme for Development of the East Planning Region  
2015-2019**

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## Introduction

The Programme for Development of the East Planning Region 2015 – 2019 is a mid-term planning document, prepared in accordance with the revised Strategy for Regional Development of the Republic of Macedonia 2009 – 2019. The Programme defines the mid-term regional development goals, as well as the priorities and measures which will contribute to the achievement of the mid-term goals. The Programme is prepared in accordance with the Articles 12 to 14 of the Law on Balanced Regional Development. The methodology which is used for the preparation of the Programme is in accordance with the Rulebook on Methodology for Preparation of Regional Development Planning Documents.

The Law on Balanced Regional Development clearly defines the role of the Centres for Regional Development in the process of planning the development of the region and the implementation of projects which will contribute to the decrease of the considerable economic and social disparities among the regions. Currently, the planned regional development, which is implemented by the functional structures on national and planning region level, creates possibilities for balanced regional development of the regions. The regional development programmes direct all development stakeholders toward the achievement of the planned mid-term goals.

The Programme for Development of the East Planning Region 2015 – 2019 is the second comprehensive document which is prepared by the Centre for Development of the East Planning Region. The experience drawn from both the preparation and implementation of the previous Programme was used for the preparation of this programme, in such a way which enabled the inclusion of all development stakeholders from the East region and their contribution to the creation of the document.

The Programme defines the five mid-term goals and priorities for the achievement of each mid-term goal.

The abovementioned goals and priorities are shown in the second part of the Programme for Development of the East Planning Region. This part also defines the measures whose implementation is planned to ensure the achievement of the defined mid-term goals as well as the financing of the region. For each mid-term goal indicators are defined for the level of the achievement of the goal in 2019, while for each priority success indicators and expected outputs are defined. In the second part of the Programme, the vision for the development of the East Planning Region is shown.

The introductory part, the description, precedes this part, stating the characteristics of the regions with regards to the overall situation in the region, which certainly serves as a basis for the preparation of the development programme.

## 1. Description of the project

The Programme “Regional Economic Development in Macedonia (RED)”, supported by GIZ in Macedonia, EU and the Swiss Development Agency has the aim to support the regional economy and employment in all the regions in Macedonia in accordance with EU criteria.

Within the frame of the Programme, among other activities, the process for preparation of the Programme for Development of the East Planning Region 2015-2019 was conducted.

The main development phases of the Process of preparation of the Programmes for development of the planning regions were:

- Preparation of a Sector Analysis, Analysis of the areas with special development needs and defining the thematic areas
- Analysis and Vision
  - First series of workshops – Analysis of the current condition; identifying the possibilities and defining a vision (Shtip, September 11 and 12, 2014)
  - Development planning
  - Second series of workshops – Defining the mid-term goals and priorities (Shtip, October 2 and 3, 2014)
- Development planning and success monitoring
  - Third series of workshops – Defining the measures and success indicators (Shtip, October 27 and 30, 2014)
- Formulating the draft version of the Programme
- Presentation and public debate
- Formulating the final version of the Programme

Within the frame of the first series of workshops, the data from the conducted evaluation of achieved results and impacts of the implementation of the Programme for Development of the East Planning Region 2009-2014 were analysed and SWOT and PEST analysis of each of the determined thematic areas for the East Planning Region were conducted.

The second series of workshops encompassed the process of defining mid-term goals and priorities within the frame of the thematic areas.

Within the frame of the third series of workshops measures for each of the defined priorities were defined as well as success indicators for the planned mid-term goals.

## 2. Development characteristics of the East Planning Region

For the purpose of development planning, the Law on Regional Development (Article 5) defines eight planning regions according to the NUTS 3 Nomenclature of territorial units for statistics.

- Vardar Planning Region;
- East Planning Region;
- Southwest Planning Region;
- Southeast Planning Region;
- Pelagonia Planning Region;
- Polog Planning Region;
- Northeast Planning Region and
- Skopje Planning Region.

### Regions in the Republic of Macedonia



### 2.1 Natural characteristics

Location: The East Planning Region encompasses the Bregalnica river basin and covers an area of 3537 km<sup>2</sup> or 14.2% of the territory of the Republic of Macedonia. This region is comprised of 11 municipalities (Berovo, Vinica, Delchevo, Zrnovci, Karbinci, Kochani, Makedonska Kamenica, Pehchevo, Probishtip, Cheshinovo-Obleshevo and Shtip) which in terms of urbanisation are divided into 217 human settlements, 209 settlements of which are characterised as rural settlement.

### Municipalities in the East Planning Region<sup>1</sup>

	Municipality	Area km <sup>2</sup>	Inhabitants/km <sup>2</sup>	Settlements	Share (in %) of urban population in the total population
1	Berovo	598	22	9	50.2
2	Vinica	433	45	16	54.5
3	Delchevo	422	39	22	65.7
4	Zrnovci	56	55	3	0
5	Karbinici	229	18	29	0
6	Kochani	360	105	28	74.4
7	Makedonska Kamenica	190	40	9	63.5
8	Pehchevo	208	24	7	58.7
9	Probishtip	326	47	36	66.8
10	Cheshinovo-Obleshovo	132	54	14	0
11	Shtip	583	83	44	91.3
	Total	3537	50	217	66.3

This region borders the Republic of Bulgaria on the eastern side, and the communication with the neighbouring country is conducted through the border crossing Delchevo in the Municipality of Delchevo. To the North it borders with the Northeast Planning Region, to the West with the Vardar Planning Region, and to the South with the Southeast Planning Region.

Furthermore, the main characteristics of the East Planning Region are provided, i.e. those which refer to the urbanisation, geographic characteristics and natural resources of the regions as well as the natural, cultural and historical heritage and some aspects concerning environmental protection.

As in the other regions in the Republic of Macedonia, the rural municipalities are quite prevalent, however most of the population lives in the larger urban centres which shows an unbalanced concentration of population within the region. This condition points to the need for revitalisation and improvement of the quality of life in rural settlements in order to decrease the disparities within the regions.

### Main characteristics of the East Planning Region<sup>2</sup>

Region	Area in km <sup>2</sup>	Number of inhabitants - assessment 31.12.2013	Population density - inhab./km <sup>2</sup>	Number of municipalities	Municipalities situated in a village	Number of settlements
Republic of Macedonia	25713	2065769	80	81	38	1767
East region	3537	177998	50	11	3	217
Share of the East region	13,76%	8,62%	62,50%	13,58%	7,89%	12,28%

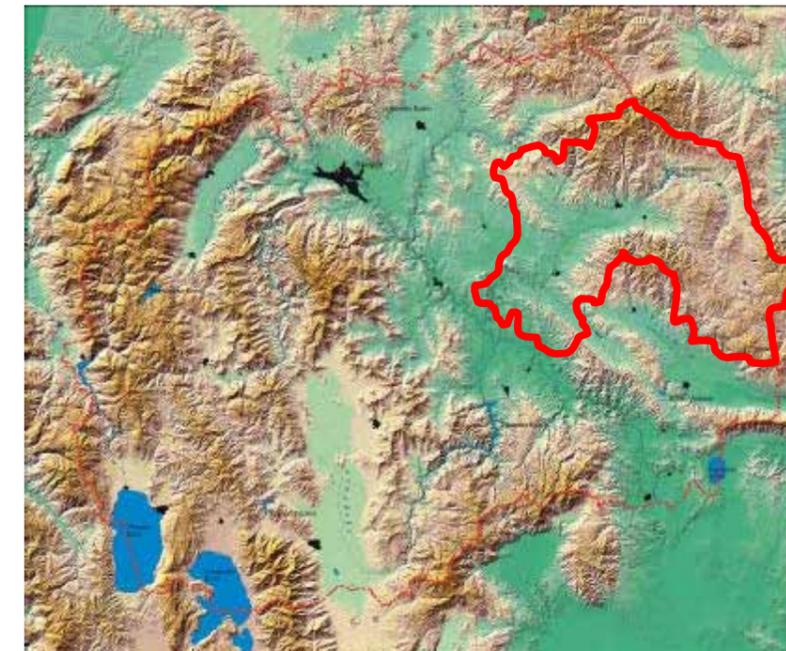
### Terrain

The East Planning Region is characterised by a very dynamic terrain structure, with valleys such as Ovche Pole, Ezhovo Pole, the valleys along the river Bregalnica, Pijanec valley, Maleshevska valley, Vinichko-Kochanska valley, Berovsko-Pehchevsko Pole, sloping grounds with heavy alluvium, cones, covered with deluvial soils and hilly wave-like terrain which cover most of the area and which are dominant in the agricultural production, as well as mountainous parts such as the mountains Osogovo, Plachkovica, Serta, Konechka, Malaleshevski mountains, Ograzhden, Vlaina mountain, Obozna and Golak.

<sup>1</sup> Source: State Statistical Office of the Republic of Macedonia, Population assessment on 30.06.2013 and 31.12.2013 according to gender and age, municipalities and statistical regions  
<sup>2</sup> Source: State Statistical Office of the Republic of Macedonia

### Climate

The climate in the East Planning Region is arid, i.e. mostly dry. This climate is characterised by long and dry summers with high temperatures which can reach +41°C and mild and humid winters with infrequent extreme low temperatures which can drop to -22 °C. This is caused by the influence of the collision of the Mediterranean and continental climate. In the Maleshevo area the continental climate is prevalent. The average annual rainfall is 506 mm in Kochansko Pole up to 672 mm in the Maleshevo area. The rainfall is unequally distributed, both in terms of duration and amount. The period of maximum rainfall is during the months of April-May and the minimum in the summer period, July-August. The average annual temperature in the valley area is 12.9 °C, and 8.7 °C in the Maleshevo area. There is snowfall from December to March, with three to five foggy days per year. The climate in this region is favourable for the development of agriculture, especially rice production.



*Terrain of the East Planning Region*

### Demography

In terms of demography the region has similar demographic trends to the rest of the Republic of Macedonia. Over the last 5 years depopulation and decrease of the population has been recorded.

Population per year	2009	2010	2011	2012	2013
Republic of Macedonia	2.052.722	2.057.284	2.059.794	2.062.294	2.065.769
East Planning Region	179.846	179.695	179.080	178.551	177.988

The population index for the year 2013 is shown on the following table.

Population Index	2009	2010	2011	2012	2013
Republic of Macedonia	100	100.22	100.34	100.47	100.64
East region	100	99.92	99.57	99.28	98.97

The share of the population of the East Planning Region in the total population of the Republic of Macedonia is decreasing in the last five years. The share of the total population of the East region in the total population of the Republic of Macedonia is shown on the table below:

Share of the region in the total population of the country	2009	2010	2011	2012	2013
Republic of Macedonia	100	100	100	100	100
East region	8.76%	8.73%	8.69%	8.66%	8.62%

The density of the population in the East Planning Region amounts to 50.4 inhabitants per square kilo-

metre. The population of the East Planning Region in 2013 lived in 72.248 housing units, and the average size of one household was 3.1 members.

In the course of one year (2013) there were only 1540 newborn children, which means that the birth rate amounts to 8.7 per mile. In the same period, the number of deaths was 1.851 which shows a negative population growth which amounts to -311 persons or -1.74 per mile. In 2013, 184 persons moved to the East Planning Region and 55 left the region. The literacy rate of the population is relatively high (96.1%). Unfortunately, since the census was not supported, a large portion of the data is just estimations.

## 2.2 Economic characteristics of the East Planning Region

The East Planning Region is relatively developed when compared to the other planning regions with an exception of Skopje Planning Region. Its share in the Gross domestic product of the Republic of Macedonia amounts to 8.1% which is less than the share of the region in the total territory (approximately 14%) and it is on the level of population share of the region in the total population of the country.

	2009	2010	2011
Republic of Macedonia			
Gross domestic product (Mil. MKD)	410.734	434.112	459.789
Share	100.0%	100.0%	100.0%
East region			
Gross domestic product (Mil. MKD)	30.683	37.171	37.092
Share	7.5%	8.6%	8.1%

When measured per inhabitant, the East Planning Region in 2012 had a gross domestic product per capita of 204.748 MKD.

GDP per capita (MKD)	2009	2010	2011	2012
Republic of Macedonia	200.293	211.246	223.357	222.519
East region	170.486	206.770	206.773	204.748

Actually, what is characteristic for the previous period is that there is a trend of rapid economic activity in the region and gradual approximation of the GDP of the region to the average of the Republic of Macedonia, which is a positive result pointing to the revitalisation and modernisation of the economy.

GDP per capita (MKD)	2009	2010	2011	2012
Republic of Macedonia	100.00%	100.00%	100.00%	100.00%
East region	85.12%	97.88%	92.58%	92.01%

In general, the East Planning Region developed relatively fast which is in accordance with its level of development. Today the East Planning Region has a development index of 0.67, economic and social index of 0.95 and a demographic index of 0.50.<sup>3</sup> Thus, the region is getting closer to the regions which are above the average of the Republic of Macedonia.

### Production and employment

The Gross value added of the East region amounted to 395,335 million MKD in 2012.

Gross value added (Mil. Den.)	2010	2011	2012
Republic of Macedonia	381,148	402,392	395,335
East region	32,363	32,462	31,560
Share of the region	8.49%	8.07%	7.98%
Index (2010=100)	100	100.31	9.75

The structure of the gross value added in accordance with sectors is shown on the table below. With regards to the structure of the gross domestic product in accordance with the sectors the share of agriculture is on the level of the country, and the share of the industry is almost twice as high as the country's average.

Gross value added	Republic of Macedonia	East Planning Region
Total	395,335	31,560
Agriculture	40,705 10.30%	3,663 11.61%
Industry	70,198 17.76%	9,675 30.66%
Construction	31,166 7.88%	2,999 9.50%
Trade	85,261 21.57%	4,297 13.62%
Other sectors	168,005 42.50%	10,926 34.62%

The East Planning Region had 5.796 active businesses in 2013. Bellow we can see the number of active businesses in the previous period, per year:

Active businesses	2009	2010	2011	2012	2013
Republic of Macedonia	70.710	75.497	73.118	74.424	71.290
East region	5.788	6.069	5.845	5.913	5.796

Even though the number of businesses may not be a good indicator of the level of activity, it is still indicative that the region had the largest number of companies in 2010 and that the number fluctuates.

With regards to the size of business entities, the largest part (84%) are micro companies with low accumulation power founded mainly for providing economic existence for the founder and small number of employees, not for more serious and voluminous ventures. The entire region had only 175 medium and large-sized companies. Therefore, the ratio between small and medium-sized companies – total number of companies is 97% to 3%.

### Companies in the region in accordance with the number of employees

Number of employees	Number of companies
0	254
1-9	4,894
10-19	281
20-49	174
Total small	5,603
50-249	175
Total medium	175
250 +	18
Total large	18
Total	5,796

The most important sectors of business activity are agriculture and industry (food, meat and metal industry, textile and shoes). The volume of gross fixed capital formation in the region is not larger than the relative size of the region, and what is quite concerning is that the region lags behind the other regions which have more investments in fixed funds. This data should be carefully considered and addressed accordingly in the future programme for development of the region.

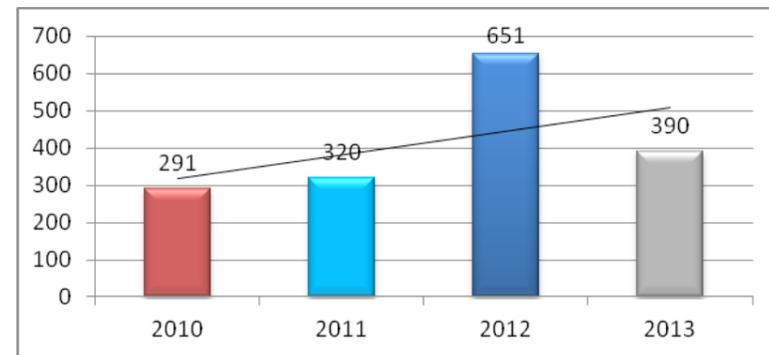
Gross capital fixed formation (Mil. Denars)	2010	2011	2012
Gross capital fixed formation	82,968	94,698	105,443
East region	7,953	4,444	5,511
Share	9.59%	4.69%	5.23%

<sup>3</sup> Source: Decision on the classification of the planning regions in accordance with the level of development for the period 2008-2012, Official Gazette Nr. 162/2008.

Moreover, the investment structure is unfavourable. Compared to the average, the region invests more in industry, however at the same time the investments in construction are above average.

Investments	Republic of Macedonia		East region	
	Total	%	Total	%
Total investments in fixed capital	105,443	100	5,511	100
In agriculture	2,557	2.43%	229	4.16%
In industry	26,428	25.06%	2,061	37.40%
In construction	34,679	32.89%	2,200	39.92%
In trade	15,860	15.04%	430	7.80%
Other	25,919	24.58%	591	10.72%

Furthermore, there is growth in the construction sector measured in accordance with the value of the construction works. In 2013, 293 building permits were issued, and the value of construction works was 1 billion and 614,495 million MKD. The following diagram shows the number of constructed apartments in the region.



### Labour market

The data for the rate of active population, employment and unemployment are more favourable than the national average, however despite these results the region is lagging behind the more developed regions. This is probably due to the fact that economic activity of the East Planning Region has less newly added value and is more labour-intensive, compared, for example, to the developed Skopje region.

	Republic of Macedonia	East Planning Region
Working-age population		
Active population	1.672.460	150.184
Activity rate	57.2	61.0
Employment rate	40.6	49.1
Unemployment rate	29.0	19.5

The productivity of labour measured as BDP per employed person per working hour (2.184 hours per year) shows that the region has around 314 MKD gross domestic products per working hour.

Macedonia	2011
GDP (Mil.Den.)	459,789
Employed	709,689
GDP per working hour	325 Denars
East region	2011
GDP (Mil.Den.)	37,092
Employed – assessment	54,000
Working hours (million)	118
Productivity	314 Den./working hour

However, these good results should be carefully considered. Since in the private sector the use of the available overtime work is almost to the limit, the realistic productivity indicator is around 80% of the calculated

one. On the whole, the global indicators such as the general productivity are good indicators of the relative ratios.

The comparison between the employment index and the GDP determines the dynamics of labour productivity of the region. The productivity index was growing in the period 2010/2009 due to the growth of GDP and stagnation of the employment index. The situation levelled in the following period, 2011/2010, when GDP and employment had an equal trend, therefore the productivity is only 0.4 index points higher.

	2010/2009	2011/2010
<b>GDP Indices</b>		
Republic of Macedonia	105.69	105.91
East region	121.15	99.79
<b>Employment Indices</b>		
Republic of Macedonia	100.78	100.52
East region	99.19	99.39
<b>Productivity Indices</b>		
Republic of Macedonia	104.87	105.37
East region	122.13	100.40

The unemployment structure in the region, compared to the country's average and in total according to gender and type of settlement shows that unemployment both in the urban and rural parts of the region is below the country's average, especially among women due to the high share of the textile industry in the structure.

Unemployment structure according to gender and type of settlement	Republic of Macedonia	East region
Total	29.0	19.5
Men	29.0	22.0
Women	29.0	16.6
Urban settlements	30.6	22.4
Men	30.8	26.3
Women	30.4	17.9
Rural settlements	26.7	14.0
Men	26.7	14.1
Women	26.6	13.8

### 2.3 Social development

The population's standard in the East Planning Region is a little below the national average. The East region has the lowest (72.56%) average of paid net salaries per employee for 2013 compared to the overall average of the Republic of Macedonia. The urban settlements have a relatively good urban infrastructure and buildings.

The health and social protection in the planning region are relatively good.

The health insurance coverage of the population is around 99% in the East Planning Region. The availability of primary and secondary health protection is on the average national level; however, the other degrees of health protection are less available. Hospital care is organised through a network of general and city hospitals.

In the region there are 9 public child care institutions, organised in 29 buildings and divided in 139 groups. Kindergartens are located in the larger urban settlements, while in the rural settlements there are dispersed groups. The kindergarten coverage is above the county's average. The average coverage in the Republic of Macedonia is 21% for children up to 5 years of age, the coverage in the East region was 34.4% i.e. if on the level of the county almost every child is covered, this data shows that in the East region every third child is covered. The region is also above the country's average with regards to the data for child care allowance recipients (8% to 3.8%); however this shows that there is a lack of economic power in the region.

In the entire East Planning Region, 16% of the population uses social financial assistance which is still less than the county's average (21.1%).

Social Financial Assistance	East region	Republic of Macedonia
Children aged 0 to 5 in kindergartens (%)	34.4	21.0
Recipients of child care allowance, children up to 18 years of age (%)	8.0	3.8
Recipients of special allowance, people up to 26 years of age (%)	1.1	1.0
Households – recipients of social financial assistance aged 18+ (per 000 population)	16.2	21.1

In the region there are 93 primary schools, with 7.400 students. There are 13 high schools with 7.700 students.

Primary school students	2009/10	2010/11	2011/12	2012/13
Republic of Macedonia	210.381	204.439	198.856	195.311
East region	16.033	15.485	14.934	14.589

High school students	2009/10	2010/11	2011/12	2012/13
Republic of Macedonia	95,343	94,155	93,064	89,884
East region	7,998	7,573	7,245	6,939

The number of undergraduate students in the East Planning Region (in accordance to the place of residence of the student) is shown on the following table.

Undergraduate students	2007	2008	2009	2010
Republic of Macedonia	210.381	204.439	198.856	195.311
East region	16.033	15.485	14.934	14.589

One of the largest universities in the country, University Goce Delchev, is situated in the region. The number of graduated students per year in the region compared to the average of Macedonia is shown on the following table.

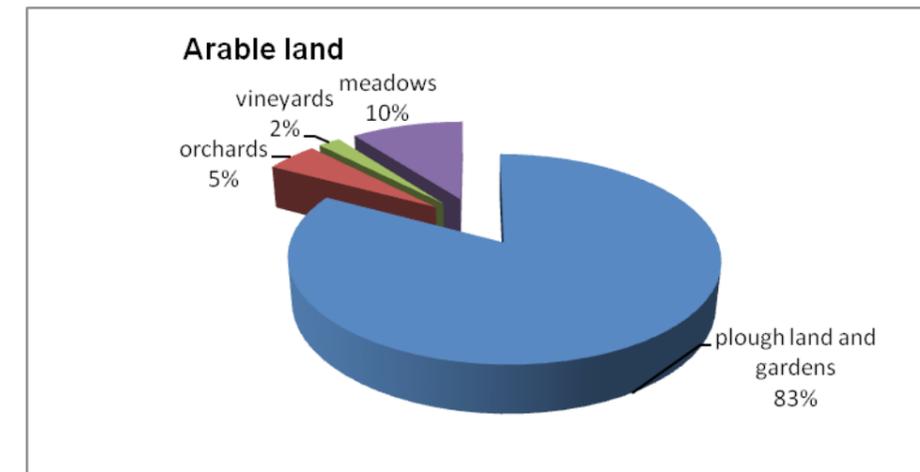
Number of students	2010	2011	2012
Republic of Macedonia	9.807	9.707	10.210
East region	953	811	894

## 2.4 Agriculture

The East region encompasses the territories of the plains in Kochani and Shtip and the surrounding municipalities, as well as the mountainous regions in Malesh and Pijanec.

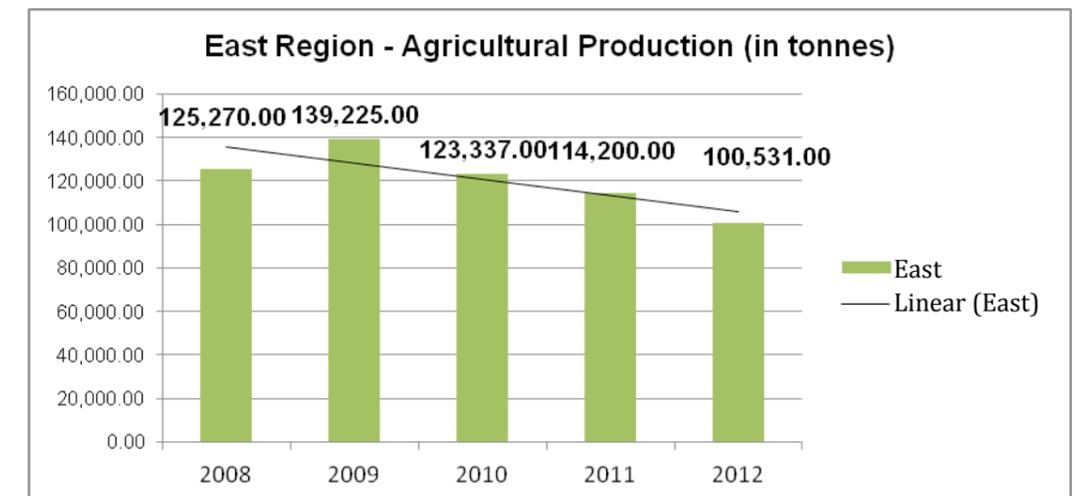
There is a total of 177.633 ha agricultural land out of which 43.26% or 76.818 ha is arable land, and 56.74% or 100.784 ha are pastures.

The dominant type of arable land in this region are plough lands and gardens 63.621 ha, 3710 ha orchards, 1562 ha vineyards and 7925 ha meadows. The percentage share of agricultural lands is depicted on the following Diagram.



Source: State Statistical Office

Agriculture is one of the main economic sectors in the East Planning Region. Over the last several years, there has been a decline in the total annual agricultural production in the East Planning Region. The following diagram gives an account of the annual agricultural production in tonnes and of the trend of agricultural production.



Source: State Statistical Office

The total agricultural production in the planning region (based on different crops) dropped by 17.97% during the period 2008-2012 (from 139.225 t in 2008 to 100531 t in 2012) thereby decreasing its share in the total agricultural production of the country from 9.54% in 2008 to 7.31% in 2012.

The gross value added of the agricultural sector has grown by 14,48% from 52 in 2008 to 71,9 million EUR in 2012, thereby increasing the share in the total added value on the country level from 9,63% to 10,09%.

A total of 53 agricultural holdings cultivate 4.547 ha, while 23.709 individual agricultural producers cultivate 55.606 ha. According to this, the average volume of cultivated land by agricultural holdings is approximately 85,8 ha. Individual agricultural producers cultivate an average of 2,35 ha, pointing to the relatively low average volume, which is still above the country's average (1,84 ha). This average size of an agricultural holding has a development potential which is limited because of the small average size of land. The Berovo and Delchevo area has a relatively underdeveloped industry, making agriculture an important source of revenue for the households in the area. In conclusion, the share of fragmented land in this region is below the average of the Republic of Macedonia; however, agricultural holdings manage relatively small land areas.

2011								
	Wheat	Maize	Tobacco	Potatoes	Onion	Tomatoes	Pepper	Cucumbers
Republic of Macedonia	256103	126096	26537	192675	44540	165642	153842	49879
East region	22611	14435	607	30539	4047	6265	6746	847
% of R. Macedonia	8,83%	11,45%	2,29%	15,85%	9,09%	3,78%	4,39%	1,70%
2012								
	Wheat	Maize	Tobacco	Potatoes	Onion	Tomatoes	Pepper	Cucumbers
Republic of Macedonia	214963	115928	27333	168859	43732	145818	166247	50093
East region	15271	14851	731	20863	2241	5374	8041	825
% of R. Macedonia	7,10%	12,81%	2,67%	12,36%	5,12%	3,69%	4,84%	1,65%
2013								
	Wheat	Maize	Tobacco	Potatoes	Onion	Tomatoes	Pepper	Cucumbers
Republic of Macedonia	258960	131043	27859	189590	50787	130960	152153	36834
East region	23483	16630	814	34209	2681	5539	4499	1022
% of R. Macedonia	9,07%	12,69%	2,92%	18,04%	5,28%	4,23%	2,96%	2,77%

Source: State Statistical Office

The production of certain cereal crops (wheat and maize) has increased during the past year compared to 2011 by 8.28%. Due to the decline of the production growth on country-level, the share of the East Planning Region in the total production of cereal crops on country-level has increased from 9.69% to 10,29%;

The production of garden crops (tomatoes, peppers, cucumbers, potatoes and onion) has been constant over the last three years, with an insignificant decrease (from 48444 t to 47950 t). Due to the considerable decrease of the production on country-level, the share of the East Planning Region in the total production of garden crops on country-level has increased from 7,98% to 8,56%;

### Production of fruits and grapes

2011									
	Cherries	Sour cherries	Apricots	Apples	Pears	Plums	Peaches	Walnuts	Grapes
Republic of Macedonia	6019	6514	3747	124552	7460	35448	9039	5480	235104
East region	819	2290	283	2759	1111	6493	307	622	13103
% of R. Macedonia	13,61%	35,16%	7,55%	2,22%	14,89%	18,32%	3,40%	11,35%	5,57%
2012									
	Cherries	Sour cherries	Apricots	Apples	Pears	Plums	Peaches	Walnuts	Grapes
Republic of Macedonia	5539	8127	4503	127171	6937	35444	8987	4952	240461
East region	750	2613	323	3797	1031	7817	298	559	15146
% of R. Macedonia	13,54%	32,15%	7,17%	2,99%	14,86%	22,05%	3,32%	11,29%	6,30%
2013									
	Cherries	Sour cherries	Apricots	Apples	Pears	Plums	Peaches	Walnuts	Grapes
Republic of Macedonia	6037	8867	3968	112929	7265	38902	11034	5467	292075
East region	759	3141	198	2703	983	7571	257	587	12795
% of R. Macedonia	12,57%	35,42%	4,99%	2,39%	13,53%	19,46%	2,33%	10,74%	4,38%

Source: State Statistical Office

The production of fruits and grapes has increased by 4.34% over the analysed period, however its share in the total fruits and grapes production in Macedonia decreased from 6.41% to 5.96%.

Areas under plough lands and gardens										
hectares/ha	Plough lands and gardens	Cereals	Industrial crops	Fodder crops	Leguminous crops	Vegetable total	Potatoes	Flowers and ornamental plants	Seed and seedlings	Fallow lands
Republic of Macedonia	236 291	158 314	24 717	23 561	2 283	12 722	5 053	34	26	9 581
East region	28 636	22 204	562	1 448	315	831	2 240	8	0	1 029
% of R. Macedonia	12,12%	14,02%	2,27%	6,15%	13,79%	6,53%	44,34%	22,84%	1,34%	10,74%

Source: State Statistical Office

From the analysis of the representation of cultivated crops in the East region, it can be concluded that agricultural production is dominant in the region. The similar representation of barley and wheat and the relatively high representation of maize show that there is a solid base for livestock production.

Out of the cereal crops in the region, rice has the greatest importance, even though present on relatively small areas (4839 ha) it is very important for the agricultural production of the region. Out of the total rice production in the country, 99.45% comes from the East region. The rice production in the region should be further developed; the assortment should be improved in order to achieve the desired quality, thereby creating one more brand with export potential. The dominant fodder crop is alfalfa, and tobacco is the dominant industrial crop, which is similar for all the regions in Macedonia. Gardening is not very prevalent. This region is the largest producer of potatoes in the country, which is a brand by itself, demanded on the market as Berovski potatoes. With regards to fruits, the plum dominates in the region and this is the most important region for its production. There is potential for vinegrowing in the Shtip region.

Total number of livestock, poultry and bee families 2013							
Number	Horses	Cattle	Swine	Sheep	Goats	Poultry	Bee families
Republic of Macedonia	20 682	238 333	167 492	731 828	75 028	2 201 550	68 294
East region	1 411	19 964	43 233	114 666	16 725	130 377	24 562
% of Republic of Macedonia	6,82%	8,38%	25,81%	15,67%	22,29%	5,92%	35,97%

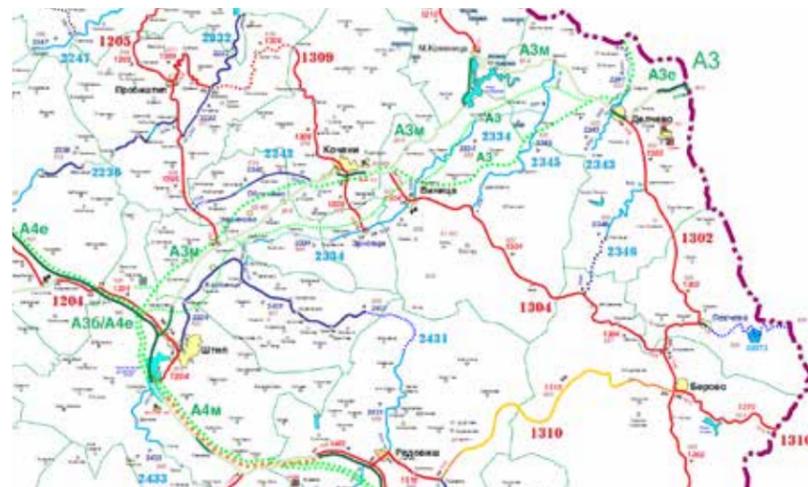
Source: State Statistical Office Source: State Statistical Office

Livestock production is represented by several dominant types of domesticated animals (sheep, goats and swine). Cattle breeding is represented in the mountainous areas and has considerable importance and development potential (Berovo and Delchevo area). Furthermore, it is important to stress sheep husbandry as traditional production present in the region known for distinct products such as Ovchepole sheep and Berovo cheese. Lately, goat husbandry is also developing. Additionally, when compared to the total number of heads for separate species in R.M., 25.81% of swine husbandry is realised in the East region.

## 2.5 Infrastructure

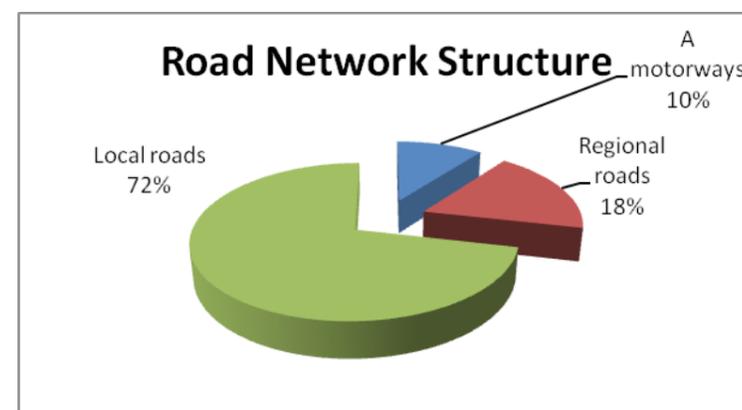
### Transport infrastructure

#### Road infrastructure



#### Road network in the East Planning Region

The existing road infrastructure in the East Planning Region comprises 1187 km local roads, 177 km state A – motorways and 302 km regional roads.



Major roads connecting this region to the other regions are the state A3 motorway (Veles – Shtip – Kochani – Delchevo – border with Bulgaria) and the state A4 motorway (Sveti Nikole – Shtip – Strumica).

The road network in this region is relatively well-developed. The construction on part of the state A3 Sveti Nikole – Shtip motorway is ongoing, which will connect this region to the modern road connection with Skopje. At the same time there is an ongoing reconstruction and upgrade of the road section Veles – Kadri-fakovo part of the state A4 motorway.

The current condition of part of the state A motorways A4 (Shtip – Radovich) and A3 (Shtip – Kochani – Makedonska Kamenica – Delchevo – border with Bulgaria) is in a relatively poor state, above all as a result of damaged roadway surfaces and inappropriate technical elements that are present in certain parts of this section. Certain sections of the regional road network R1302 (Delchevo – Pehchevo – Berovo – Bosilevo), R 1304 (connection to A3 – Vinica – junction to 1302), R1205 (Kratovo – Probishtip – junction to A3), as well as certain second category regional roads R2345 (Shtip – Karbinci – Zrnovci – Vinica – Kalimanci) are also in a relatively poor condition.

The following regional roads are not built:

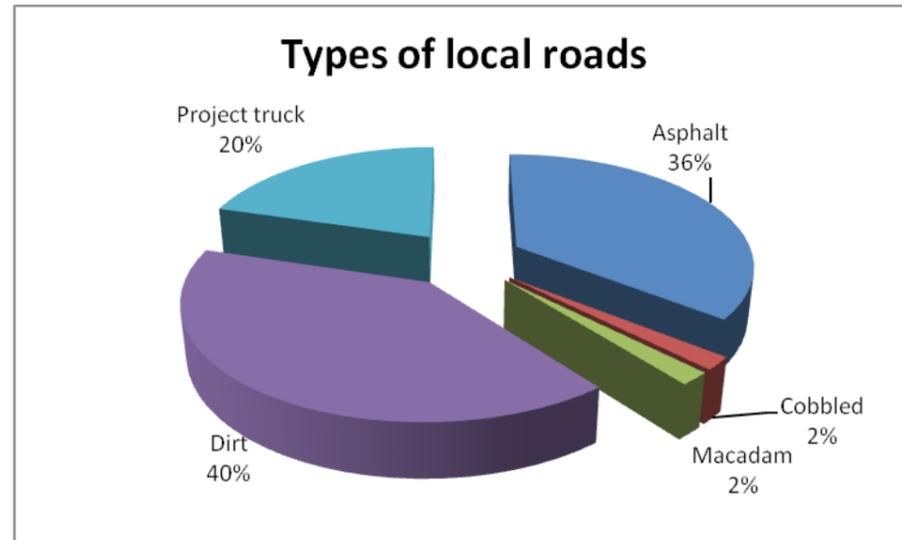
- R 1309 Ponikva - Zletovo (Probishtip)
- R 1310 Berovo - Radovich
- R 1210 Makedonska Kamenica (Sasa) - Toranica (Kriva Palanka) (through Ruen)
- R 2341 Gabrovo – border with Bulgaria
- R 2342 Pishica – Zhivanci
- R 2431 Prnalija – Shipkovic (Karbinci – Radovich through Plachkovic)
- R 2346 junction to R1304 – Razlovci – Trabatovishte
- Part of the regional road network consists of dirt roads such as the sections:
- R 2334 Argulica - Burchilevo; Kuchichino - Vidovishte; Kalimanci junction to 2345
- R 2336 Kukovo – Mechkuevci; Petrushino – Zarapenci
- The condition of the state A - roads and regional roads is not in accordance with regional development requirements, and to the road traffic safety standards.

In the East Planning Region the local road network is insufficiently developed and most of the local roads are of inadequate quality due to poor maintenance and lack of investments. Some local road sections have such low quality which poses a threat for normal traffic regulation.

#### Condition of the local road network by municipality

	Berovo	Delchevo	Vinica	Zrnovci	Karbinci	Kochani	Mak. Kamenica	Pehchevo	Probishtip	Cheshinovo Obleshevo	Shtip
Asphalt	21	62	42	8	29	50	68	30	45	34	39
Cobbled	21	1	-	-	-	-	-	-	-	-	-
Macadam	8	4	-	-	3	3	-	-	4	-	-
Dirt	34	70	51	56	45	101	45	1	15	38	28
Project truck	2	6	25	-	31	10	-	74	14	-	83
Total	86	143	118	64	108	164	113	105	78	72	150

Source: State Statistical Office



The road network density in the East Planning Region amounts to 0.47 and it has 17% lower road network density than the level of the Republic of Macedonia.

Road infrastructure in the East Planning Region compared to the road infrastructure in the Republic of Macedonia

	Republic of Macedonia	East region	%
A – motorway network	1153	171,7	14,89%
Regional roads	3771	302,3	8,02%
Local roads	9258	1187	12,82%
Total	14182	1661	11,71%

There is one border crossing in the East Planning Region with the Republic of Bulgaria (Delchevo).

The average daily traffic on the state A – motorway network in the year of 2013 is shown on the following table.

Motorway	Motorway section	Average annual daily traffic						
		K1	K2	K3	K4	K5	K6	Total
A 3	Veles – Ovche Pole	3442	658	90	72	43	136	4441
A 3/A4	Kadrifakovo – Shtip	2804	526	70	52	61	157	3670
A 4	Shtip – Krupishte	3349	649	103	71	34	148	4354
A 4	Krupishte – Kochani	2878	746	86	256	211	154	4331
A 4	Kochani - Prevalec	3330	904	44	99	23	41	4441
A 4	Prevalec - Makedonska Kamenica	1094	166	14	21	15	24	1334
A 4	Makedonska Kamenica - Delchevo	1589	307	37	126	147	102	2308
A 4	Delchevo – Border with Bulgaria	418	57	2	14	7	38	536

Source: Public Enterprise for State Roads

The average daily traffic on the regional road network in the East region in 2013 is presented on the table below.

Road	Road section	Average annual daily traffic						
		K1	K2	K3	K4	K5	K6	Total
R 1302	Delchevo - Pehchevo	1280	246	14	50	41	28	1659
R 1302	Pehchevo - Smojmirovo	1306	234	40	88	64	59	1791
R 1302	Smojmirovo - Berovo	1562	264	44	84	80	64	2098
R 1302	Berovo - Hamzali - Dabilje	1383	184	36	94	88	84	1869
R 1304	Prevalec - Vinica	2236	342	76	298	226	102	3280
R 1304	Vinica - Smojmirovo	1502	294	52	272	204	121	2445

Source: Public Enterprise for State Roads

### Railway Infrastructure

Part of the railway line Veles – Kochani is located in the East Planning Region. The total length of this railway line, which is located in the region, amounts to 70 km.



### Railway network in the East Planning Region

The railway network in this region has a density of 17,3 km on 1000km<sup>2</sup> (27 km' on average in Macedonia), and the length of the rail tracks per 100 thousand inhabitants is 9.56 km' (33,9 km' on average in Macedonia).

The railway network in the East region has low density and does not provide adequate services to the municipalities of the region. The only existing railway line has a dead end which does not allow profitable usage. The quality of the offered railway services is on a very low level, which is characteristic of the railway transport in the Republic of Macedonia. There are two larger railway stations in the region, located in Shtip and Kochani, which are in a very poor state and do not provide basic conditions for quality railway services.

### Number of passengers

year	Kochani	Shtip	Republic of Macedonia	%
2010	35000	33000	1489000	4,57
2011	15000	24000	1408000	2,77
2012	5000	7000	1000000	1,20

Source: State Statistical Office

### Carried goods (tonnes)

year	Kochani	Shtip	Republic of Macedonia	%
2010	114	6 098	2 198 206	0.28
2011	728	2 070	1 902 581	0.15
2012	150	-	1 875 974	-

Source: State Statistical Office

The data regarding the provided services in the railway transport in the East region, both for passengers and goods, show a rapid decline in the volume of provided services. The decrease in the number of passengers carried amounts to 82.35% (a decrease of 32,84% on the level of the Republic of Macedonia), whereas in transport of goods there is a decrease of 55% (2011 – 13.45% decrease on the level of the Republic of Macedonia). The negative trend in railway transport is characteristic for the entire territory of the Republic of Macedonia and is mainly due to the old rail fleet and the poor condition of the railway infrastructure.

The main obstacle for an efficient railway transport is the underdeveloped railway network in the East Planning Region which ends with a dead end. There is an urgent need for reconstruction and upgrade of the entire railway infrastructure in the region which would provide fast and safe transport of goods and passengers. One of the identified possibilities for upgrading this type of transport is the combined multi-modal transport which can offer more profitable transport and attract investments in the region.

The relatively poor condition of the road network in the East Planning Region as well as the low railway network coverage are restricting factors for the development of the region, especially in the aspect of fostering economic growth through investments.

**Air Traffic**

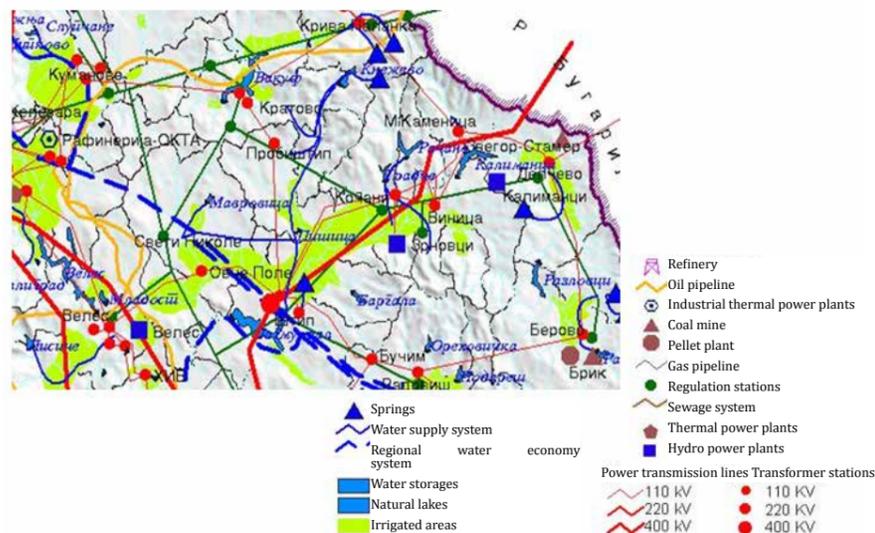
In the East region there is only one sports airport in the vicinity of Shtip and one airport for business aviation “Lakavica” both of which are underused.

The sports airport is located 4 km north-west of the city of Shtip. It is indeed for air sports activities. It has a 14/31, 1000x100 m landing strip. It has a grass landing strip and no landing strip lighting for night conditions. Aircrafts with a maximum weight of 5700 kg can operate on this airport.

Part of the region is well-covered by the existing international airport in Skopje, even though the access to the main national airport “Alexander the Great” in Petrovec is not fast and simple.

**Energy Infrastructure**

Two small hydro power plants – Kalimanci and Zrnovci are located in the East Planning Region. The construction of the new hydro system Zletovica provides conditions for electricity production through the small HPP on the Zletovica system, the river Bregalnica and its tributaries: Orizarska, Zrnovska and Kochani River. Furthermore, locations for construction of small hydro power plants have been identified.



**Energy Infrastructure in the East Planning Region**

MW	Republic of Macedonia	East region	%
2011	1849	16	0,87%
2012	1913	17	0,89%
2013	1938	20	1,03%

Source: State Statistical Office

According to the data for the period 2011-2013, the total average annual consumption of electricity of the industry in the East Planning Region amounts to 75 GWh, i.e. approximately 3.1% of the total consumption of the industry in the Republic of Macedonia.

GWh	Republic of Macedonia	East region	%
2011	2194	79	3,60%
2012	2693	70	2,60%
2013	2369	76	3,21%

Source: State Statistical Office

Renewable energy sources can play an important role in the provision of electrical and heating energy. Due to the region’s natural preconditions, besides hydro energy there are potentials for solar energy, geothermal energy, biomass and wind energy usage which is insignificant at the moment. Geothermal energy can be of great importance for the development of agriculture in the East Planning Region. In Ovche Pole, which is a relatively attractive climate and meteorological destination, there is a possibility for construction of wind power plants.



**Hydro Power Plants in the East Planning Region**

In the Kochani region there is a possibility for usage of geothermal energy for heating during the winter period and for heating of garden crops grown in greenhouses.

Apart from the economic effects, the usage of renewable energy sources would have a positive impact on environment protection in the regions.

**2.6 Environment**

Environment protection is a very important segment of regional development policy. The quality of the environment in the East Planning Region is similar to the other regions in the Republic of Macedonia.

**Solid waste**

Solid waste management in the East Planning Region consists of its collection, transport and depositing. The municipal communal enterprises are responsible for solid waste management.

	Quantity of generated waste (tonnes)			Quantity of collected waste			% of collected waste		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Republic of Macedonia	735 250	786.909	793.000	543 954	550.760	555.250	73,98%	69,99%	70,02%
East region	81 251	82 849	72 500	69 588	70.485	62 055	85,65%	85,08%	85,59%
%	11,05%	10,53%	9,14%	12,79%	12,80%	11,18%	115,77%	121,55%	122,24%

Source: State Statistical Office

The disposal of municipal solid waste in the East Planning Region is managed locally i.e. in municipal landfills, which do not meet the basic sanitary and technical standards for safe waste depositing. There are 17 landfills in this region, registered in the National waste management plan, which in accordance to the environment risk are classified in the following way: 3 landfills – high-risk; 8 landfills – medium-risk and 6 landfills – low-risk.

High-risk landfills:

- “Tarinci”, Karbinici Municipality
- “Karbinici”, Karbinici Municipality
- “Radanje”, Karbinici Municipality

Medium-risk landfills:

- “Kamenichki Rid”, Mak. Kamenica Municipality
- Dubrovo “Buceto”, Vinica Municipality
- “Suvi Dol”, Pehchevo Municipality
- “Iljadin Valog”, Berovo Municipality
- “Pochivalo”, Vinica Municipality
- “Progon”, Cheshinovo Obleshevo Municipality
- “Krstot”, Shtip Municipality
- “Ostrec”, Delchevo Municipality

Low-risk landfills:

- Nakazi “Strmos”, Probishtip Municipality
- “Melishte” Zletovo, Probishtip Municipality
- “Krupishte”, Karbinici Municipality
- “Belski Pat”, Kochani Municipality
- “Bel Kamen” Orizari, Kochani Municipality
- Penush “Trestena Skala”, Shtip Municipality

Besides the municipal landfills, there are a large number of so called illegal landfills. The illegal landfills are mainly present in the rural areas and pose an additional threat to the environment. There are 171 illegal landfills in the region. These landfills occur mainly because a large part of the rural settlements are not covered with the collection and disposal of municipal solid waste service.

According to the National waste management strategy, the problems with solid waste management can be solved by introducing regional integral solid waste management, in accordance with EU directives. The East region plans to establish integral municipal waste management by using EU funds through the IPA programme.

Recycling, i.e. selection of recyclable fractions of the municipal solid waste is carried out on a very small portion of the waste through waste selection in waste containers in several municipalities. The informal sector collects waste plastic and metal directly from the containers.

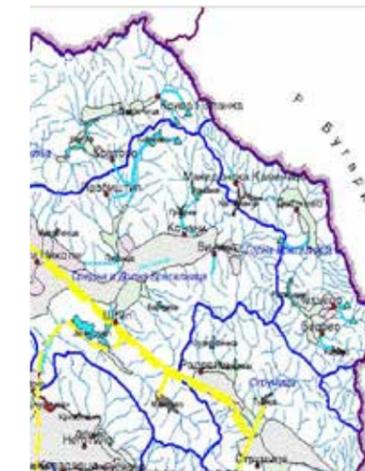
Only the packaging waste is collected in an organised manner.

The regional waste management plan is prepared and a regional solid waste management company is established.

Other types of waste such as, waste tires, batteries and accumulators, waste oils and grease, used vehicles and electronic and electric waste are not selected and end up on municipal waste landfills. In the Municipality of Shtip there are companies which manage a part of these types of waste, however in relatively low quantities.

Medicinal waste is collected and adequately treated (incineration) only in larger urban areas.

## Water



Water infrastructure

### Water supply

The supply of drinking water in the East Planning Region is conducted through the usage of water from springs, groundwater, surface water or a combination of these resources.

Groundwater is used for supplying the cities: Shtip (previously treated), Kochani, Probishtip, and Delchevo.

Surface water after previous treatment of the crude water is used in the cities Berovo and Vinica. The water supply systems in rural areas mainly use spring and ground water as well as surface waters. In the East region there are 4 larger dam lakes: Gradche, Kalimanci, Mavrovica and Ratevo-Berovsko Lake. In the Bregalnica river basin there are smaller water storages, such as Petrashavec, Loshana, the water storage in v. Pishica and other smaller ones. The Zletovica dam Knezhevo is a very important water storage, with a total volume of 23.500.000 m<sup>3</sup> water used for water supply.

The water supply in the municipalities located in the East Planning Region is managed by local public enterprises. The coverage of the population with drinking water systems ranges from 90% in Shtip to 100% in Vinica, while in the rural areas the same indicator ranges from 10% to 80%. In rural settlements there are also separate water supply systems. The total length of the water supply network in the East Planning Region is 384 km and it is mostly located in the urban centres of the municipalities. During the summer period in many settlements in this region there is shortage of drinking water. This problem is a consequence of: the high average consumption per inhabitant, the loss of water in water supply systems of more than 50% because of their poor condition and inadequate maintenance, the insufficient capacity of the reservoirs, water treatment plants and other facilities. The problem relating to the lack of sufficient amounts of drinking water in the region could be solved by better usage of dam lakes located in this region, as well as reconstruction and repair of the existing systems and reservoirs, thereby decreasing the technical water losses. By launching the water supply system Zletovica, the water supply problem will be solved for the municipalities of Probishtip, Shtip and Karbinici.

### Water supply, use and protection against pollution in industry and mining

(in thousands of m3)	Republic of Macedonia			East region			%		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Water supply	6.368.589	5.869.979	5.006.246	223.242	219.557	718.676	3,51%	3,74%	14,36%
Water used for technological purposes	6.251.678	4.953.364	4.923.165	223.064	219.004	713.152	3,57%	4,42%	14,49%
Discharge of untreated water	6.224.267	5.062.710	4.808.627	223.142	213.991	575.776	3,59%	4,23%	11,97%
Discharge of treated water	20.131	77.573	92.492	206	3.756	8.630	1,02%	4,84%	9,33%
Discharge of wastewater in industry and mining	1.435.562	820.679	1.045.121	4.307	21.937	152.359	0,30%	2,67%	14,58%

### Wastewater

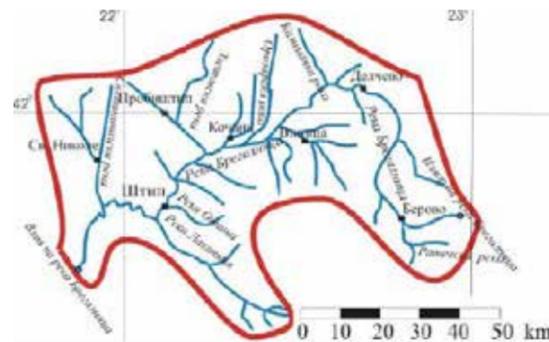
Municipal wastewater is discharged through the wastewater discharge system with a total length of 250 km.

The collector and city network is mainly located in the urban centres of the municipalities. The population sewage network coverage in urban settlements ranges from 80% to 100%, whereas in rural settlements it is in the range from 0% (septic tanks) to 80%. Parts of rural settlements do not have appropriate systems or wastewater septic tanks. Overall, the wastewater systems are in a relatively poor condition, since the systems are characterised by leaking of part of the water during transport, which increases the risk of soil and underground water pollution.

The coverage of the population with water treatment plants in the East region amounts to 7.7% (12.7% on the level of the Republic of Macedonia). There is only one waste water treatment plant in the region located in Berovo with a capacity of 14.000 ERU.

According to the Study for improvement of the environment in the Bregalnica river basin, construction of treatment plants is planned in Shtip, Kochani and Orizari, Vinica, Makedonska Kamenica, Pehchevo, Delchevo, Zrnovci, Karbinici, Lozovo and Cheshinovo.

### Water quality



**Hydro-graphic network of the Bregalnica river basin**

The data regarding the quality of the watercourses are received from the National Hydro-meteorological Service. In the East Planning Region there are two defined water monitoring stations on the river Bregalnica, in Balvan and Ubogo. The organoleptic, mineralisation, oxygen and acidity indicators as well as eutrophication determinators, hazardous and harmful substances are constantly monitored.

River Bregalnica	2009	2010	2011
Biochemical oxygen consumption (BPK5)	5,41	2,6	4,79
Total ammonia (mg/lN)	0,12	0,05	0,07
Nitrate (mg/lN)	1,69	1,17	0,98
Orthophosphate (mg/lP)	0,29	0,29	0,08

The amount of pollutants in the measured parts of the River Bregalnica decreased during the period 2009-2011.

The water of River Bregalnica is of second class quality.

Two locations of industrial polluters have been identified in the East Planning Region. The main potential industrial water polluters are: the zinc and lead mines in Kamenica and Probishtip.

### Irrigation

The current condition of the hydro-ameliorative system is characterised by weak technical condition of its facilities, stations and equipment, high losses of water, low efficiency use, insufficient capacity for changes of the flow through channels, no regulation of flow in transmission structures (channels and pipelines), etc. The condition of the systems located in the East Planning Region is similar. According to the Ministry of Environment and Physical Planning the causes of the poor condition of the systems are: insufficient maintenance of the channels, low quality of the original installation, incomplete construction in accordance to the design, unsuitable design solutions, low quality of the irrigation equipment, large number of water users, small plots, poor financial condition of the water management organisations and emigration from the rural areas.

The following irrigation systems are located in the East Planning Region:

1. Upper Bregalnica area, rivers Bregalnica, Ratevska, underground waters, covers an area of 1.334 ha, and has a quantity of water in the amount of 7.258.000 m<sup>3</sup>.
2. Middle and lower Bregalnica area, river Bregalnica, Zletovska, Lakovica and Mavrovica river, covers an area of 25.758 ha, and has a quantity of water in the amount of 235.086.000 m<sup>3</sup>.

### Soil

The reasons for soil degradation in the Region are:

- Open mines and sedimentation of ore residue in large areas;
- Inappropriate processing in the agricultural areas, cultivating crops with intensive artificial fertilisers and pesticides;
- Increased and uncontrolled usage of pesticides;
- Destruction of the layers of the soil, erosion and deforestation;
- Changes to the physical and chemical soil structure caused by the existing industrial capacities, as well as sedimentation of particles from the polluted air;
- Usage of polluted water for irrigation;
- Inappropriate waste and waste water management, etc.
- **Industrial contamination**

The following industrial hotbeds have been identified in the East region:

1. Toranica lead /zinc mine, Probishtip Municipality
2. Zletovo lead /zinc mine, Probishtip Municipality
3. Sasa Caca lead /zinc mine, Makedonska Kamenica Municipality

**Erosion**

Kamenichka River has one of the most well-known erosive drainage-basins with a yearly production of 150.000 m<sup>3</sup> erosive material. According to the erosion map of the Republic of Macedonia, the territory is divided in 5 categories of erosion intensity - from category I which represents the extreme erosions to category V which represents very weak erosions.



*Erosion and natural hazards – Spatial Plan of the Republic of Macedonia*

In the East Planning Region the water resource system of Upper Bregalnica River covers more than half of the territory characterised with strong erosion 66,46%.

The erosion intensity of the water resource system in the East Planning Region amounts to:

Area	Area category I-III (km <sup>2</sup> )	Area category IV-V (km <sup>2</sup> )	General category and coefficient
Upper Bregalnica	754,61 (66,46%)	380,69 (33,54%)	III z=0,58
Middle and lower Bregalnica	871,08 (27,15%)	2.337,35 (72,85%)	IV z=0,28

**Air**

The air quality in the East Planning Region is relatively good with the exception of some urban settlements, where during the winter period there is an increase in the concentration of pollutants, mainly PM particles. The air quality monitoring station is located in Kochani. The data concerning the air quality are shown on the following Table

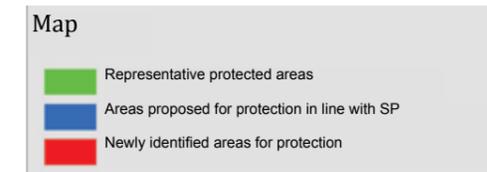
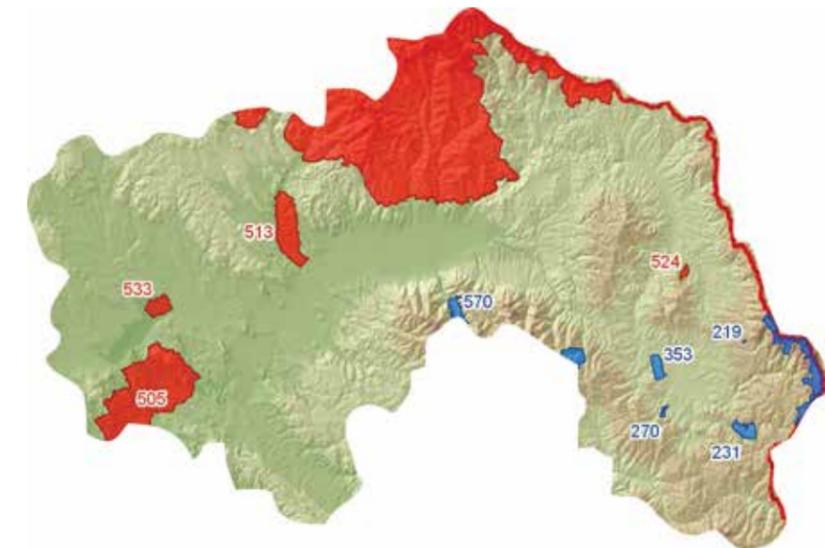
	Border value	2009	2010	2011
Highest average mid-day concentration of PM10 (µg/m <sup>3</sup> )	50 µg/ m <sup>3</sup> which should not be exceeded for more than 35 days in one calendar year	99	86	130
Average annual concentration of NO2 (µg/m <sup>3</sup> )	40 µg/m <sup>3</sup> medium annual border value	11,66	13	/
26 <sup>th</sup> highest maximum eight-hour medium concentration of O3 (µg/m <sup>3</sup> )	120 µg/m <sup>3</sup>	94	90	94
4 <sup>th</sup> highest average mid-day concentration of SO2 (µg/m <sup>3</sup> )	125 µg/m <sup>3</sup>	39	40	20

The data show that during winter there is a higher level of PM particles in the urban centres in the region.

**Nature**

The East Planning Region is not characterised by representative protected area with high natural value, however the Osogovo Mountains are a new proposed area for protection in accordance to its identified values. The reasons for the proposed protection according to the spatial plan are based on the geo-morphological value, landscape protection, biodiversity protection, hydrological value and water resources.

**EAST PLANNING REGION**



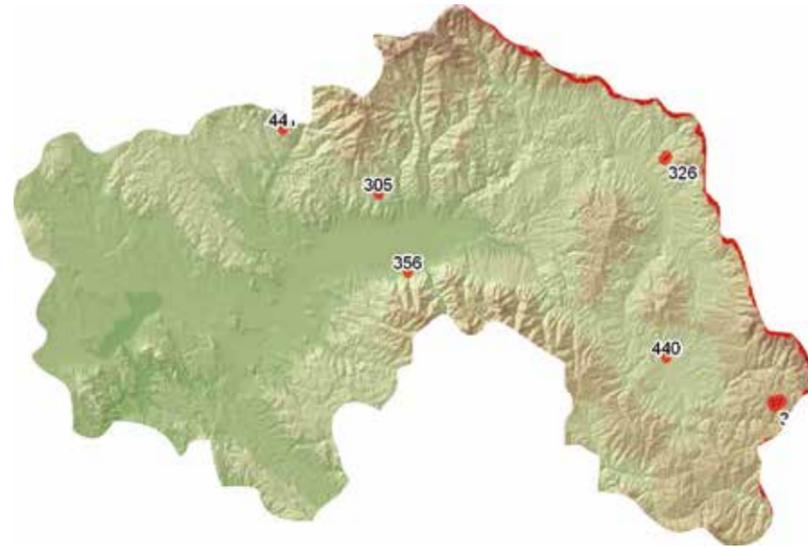
The Osogovo Mountains have important values from a biological aspect. A large number of internationally and nationally important species of flora and fauna have been identified, out of which a considerable part are endangered, endemic or rare species.

Moreover Osogovo has been identified as: Important vegetal area (IVA), Important bird area (IBA), Important corridor for the movement of the wild vegetal and animal species within the frame of the Pan-European Ecological Network in South-Eastern Europe (PEEN SEE) and Emerald area. The interaction between people and nature in Osogovo is characteristic and it is of great importance to nurture it and preserve it.

Therefore, the protected area will provide protection of the natural values and sustainable economic development of the region. Of the registered 18 habitats in accordance with EUNIS habitat classification system, five of them are important for protection according to the Habitat Directive. There are 1007 registered types and subtypes of plants out of which 18 are registered in Osogovo among which: *Viola biflora*, *Anemone narcissiflora*, *Myriophyllum verticillatum*, *Pulsatilla montana ssp. Slaviankae*, etc. The mountain peak Carev Vrv is the only locality of *Genista fukarekiana* (endemic plant, found only on the Osogovo Mountains), *Hypericum maculatum ssp. Maculatum* and *Viola biflora*. There are 258 registered types of macromycetes. The presence of 24 types of mammals has been determined. 133 types of birds have been registered, out of which 36 are important species. "Ratkova Skala" is a particularly significant ornithological site. 10 types of amphibians and 21 types of reptiles have been identified. There are 11 types of known fish out of which eight are part of the IUCN red list. On Osogovo there are 16 registered Balkan endemic snail species, a total of 243 spiders (14 endemic), 37 types of grasshoppers (5 Balkan endemic species), 15 types of dragonflies, 99 types of butterflies (*Erebia aethiops* и *Minois dryas* found only on Osogovo), 203 types of insects - Carabidae. Osogovo is characterised by the communication between people and nature, and the biodiversity and human heritage, preserved in natural landscapes, which has contributed to the formation of characteristic areas.

Six types of areas have been defined on Osogovo out of which the most characteristic one is the Osogovo mountainous rural area.

**Areas proposed for protection according to the Spatial Plan of the Republic of Macedonia in the East Planning Region**



Besides the Osogovo Mountains, the following natural values have been identified and proposed in the East Planning Region:

- The site Lower Zletovica, which encompasses the lower part of Zletovska River, from v. Tripatanci to v. Zhiganci, the surrounding rice fields and the lower parts of the mountain Osogovo. The site is important because of the bird species (it is the only mixed colony of night, grey and small heron and eastern imperial eagles). It encompasses a large part of the important ornithological site, Zletovica river basin. Furthermore, otters can be found in the river as well some important types of dragonflies.
- Ovche Pole, the area encompasses the most important holomorphic (salt) soils in Macedonia where specific halophytic vegetation with significant botanical value have developed. There is a danger that it might be turned into arable soil.
- Kukuljeto, is located south-west from v. Nov Istevnik (Delchevo area), and has botanical and geo-morphological value. Most important is the presence of erosive geo-morphologic forms – soil pyramids, located on two erosive slopes in black pine forest. Part of the locality is designed for tourist visits. The denudation relief forms – soil pyramids are made out of Pliocene sediments, mostly Pliocene sands. The main precondition for their formation is the limestone sediments which protect the sediment underneath from intensive erosion.
- The lower Bregalnica area is proposed as a natural monument and it has great biodiversity, geo-morphological and paleontological value. The great geo-morphological value is because of the presence of fossil river-bed and meanders on Bregalnica. Furthermore, there are interesting types of birds and invertebrates. The area is especially significant for bird protection. It is identified as an Emerald area (Bregalnica gorge). This area overlaps other important areas such as: Ovche Pole, important ornithological area (Topolka-Babuna-Bregalnica) and the important vegetative area Krivolak (Orlovo Brdo-Solen Dol-Serta).
- Maleshevski Mountains which are an important area for water management, which territory covers many important areas with high natural dendrological, geo-morphological and vegetative values such as: Berovo Lake, Temniot Andak, Murite, Judovi Livadi, Machevo, and Crnik.

**2.7 Tourism and culture**

The East Planning Region on the level of the country represents a touristically less developed territorial unit. The basic data in the field of tourism of the East Planning Region are depicted below.

**Table - Scope, dynamics, structure and percentage ratio of tourist visits to East Planning Region**

Year	Number of domestic tourists	Index base 2009	Number of foreign tourists	Index base 2009	Total number of tourists in the region	Index base 2009	Total number of tourists in RM	Percentage share of the region in the total number of tourists in RM
2009	8135	100,00	4545	100,00	12680	100,00	587770	2,16 %
2010	8463	104,03	4591	101,01	13054	102,95	586241	2,23 %
2011	7948	97,7	5667	124,69	13615	107,37	647568	2,10 %
2012	12275	150,89	6590	144,99	12275	96,81	663633	1,85 %
2013	13582	166,96	7165	157,65	13582	107,11	701794	1,94 %

Source: State Statistical Office

From the Table above it can be noticed that there is a constant growth in the number of tourists, both domestic and foreign.

With regards to the growth trend of foreign tourists there has been no decrease in the past period, and the growth rate amounts to 157,65 in 2013.

The percentage share of the number of tourists who have visited the East Planning Region is relatively low. It amounts to 2% with a downward trend in the last 2 years under the value of 2%.

**Table - Scope, dynamics, structure and percentage ratio of nights spent in the East Planning Region**

Year	Nights spent by domestic tourists	Index base 2009	Nights spent by foreign tourists	Index base 2009	Total number of nights spent in the region	Index base 2009	Total number of nights spent in RM	Percentage share of the region in the total number of nights spent in RM
2009	15742	100,00	11767	100,00	27509	100,00	2101606	1,31 %
2010	14504	92,14	11183	95,04	25687	93,38	2020217	1,27 %
2011	15614	99,19	13238	112,5	28852	104,88	2173034	1,33 %
2012	20930	132,96	16428	139,61	37358	135,80	2151692	1,74 %
2013	24987	158,73	17235	146,47	42222	153,48	2157175	1,96 %

Source: State Statistical Office

The nights spent by domestic tourists show both an increase and a decrease in different time periods. During the first three-year period there are values below the level of 2009, while in 2013 there is a 58% growth (24.987 nights spent).

The nights spent by foreign tourists note a constant increase with the exception of 2010 when there is an almost 5% decrease compared to 2009. Here there is also an increase in the number by 50%, which are positive results in this regard.

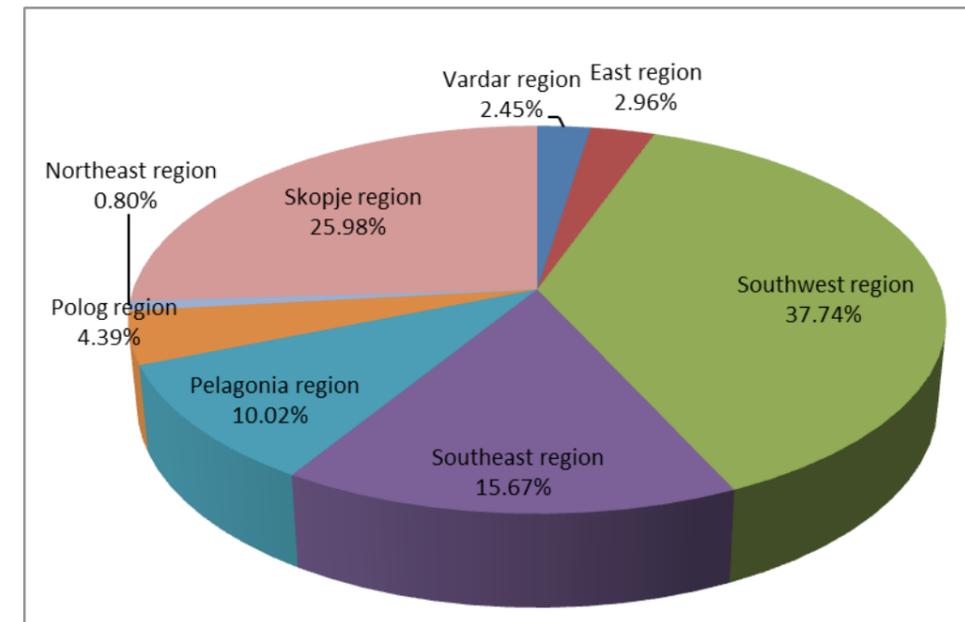
Similarly to the number of visitors in the East Planning Region, the share of the region in the total number of nights spent in the Republic of Macedonia shows very low values. The average percentage share amounts to 1.52% with an upward trend in the last five-year period thereby reaching 1.96% in 2013.

It can be concluded that despite of the growth of both domestic and foreign visitors and nights spent, their share in the total number of the Republic of Macedonia is on a very low level. Therefore, in the future period there is a need to undertake activities and measures for attracting a larger number of domestic and foreign visitors.

**Table - Visits of tourists by statistical region in 2013**

Region	Number of tourists	Share of the region
<b>Tourists</b>		
TOTAL	701794	100%
Vardar region	17196	2,45%
East region	20747	2,96%
Southwest region	264826	37,74%
Southeast region	109982	15,67%
Pelagonia region	70312	10,02%
Polog region	30823	4,39%
Northeast region	5584	0,80%
Skopje region	182324	25,98%
<b>Domestic tourists</b>		
TOTAL	302114	100%
Vardar region	4120	1,36%
East region	13582	4,50%
Southwest region	130020	43,04%
Southeast region	59977	19,85%
Pelagonia region	49635	16,43%
Polog region	15491	5,13%
Northeast region	1856	0,61%
Skopje region	27433	9,08%
<b>Foreign tourists</b>		
TOTAL	399680	100%
Vardar region	13076	3,27%
East region	7165	1,79%
Southwest region	134806	33,73%
Southeast region	50005	12,51%
Pelagonia region	20677	5,17%
Polog region	15332	3,84%
Northeast region	3728	0,93%
Skopje region	154891	38,75%

Source: State Statistical Office

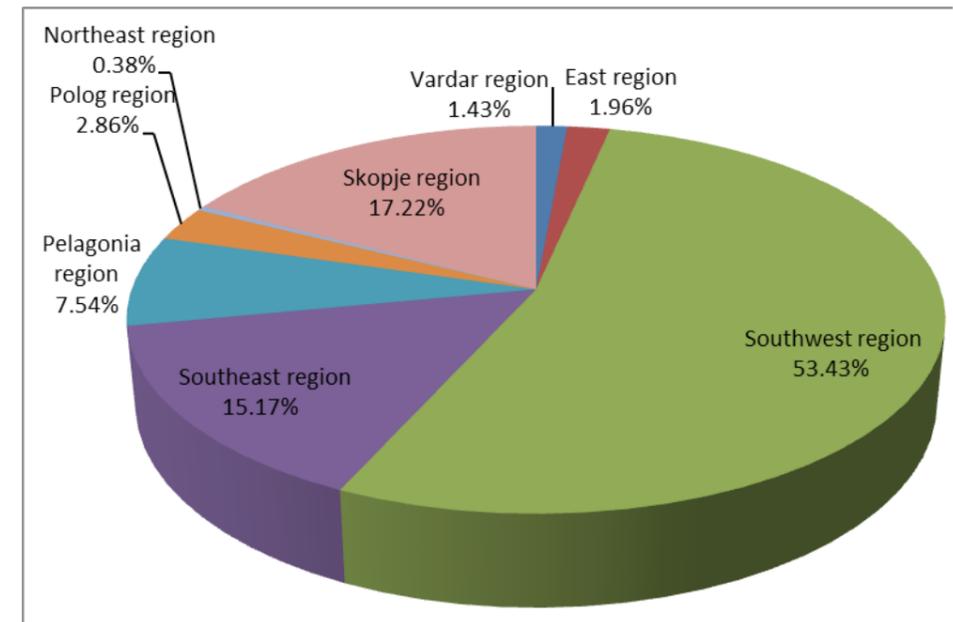


**Diagram - Percentage ratio of the number of visitors to the regions of RM in 2013**

From the presented data a disparity between regions may be noted with regard to their percentage share in the number of visitors. The highest number of visitors is in the Southwest and Skopje planning regions which together have over 60%, while the remaining part is unequally divided among the other regions. The East Planning Region in 2013 had a share of almost 3% (2.96%) which is very low. The only regions with lower share are Vardar and Northeast region. Based on this it can be concluded that the future strategic development plans and activities in the field of tourism, i.e. increase in the number of domestic and foreign visitors should concentrate on these three regions.

**Table: Nights spent by tourists by statistical region in 2013**

Регион	Number of tourists	Share of the region %
<b>Tourists</b>		
Total	2157175	100%
Vardar region	30840	14,33%
East region	42222	19,62%
Southwest region	1152651	535,68%
Southeast region	327279	152,10%
Pelagonia region	162752	75,64%
Polog region	61652	28,65%
Northeast region	8244	3,83%
Skopje region	371535	172,67%
<b>Domestic tourists</b>		
TOTAL	1275800	100,00%
Vardar region	6194	0,49%
East region	24987	1,96%
Southwest region	763788	59,87%
Southeast region	231870	18,17%
Pelagonia region	112637	8,83%
Polog region	30806	2,41%
Northeast region	2553	0,20%
Skopje region	102965	8,07%
<b>Foreign tourists</b>		
TOTAL	881375	100,00%
Vardar region	24646	2,80%
East region	17235	1,96%
Southwest region	388863	44,12%
Southeast region	95409	10,83%
Pelagonia region	50115	5,69%
Polog region	30846	3,50%
Northeast region	5691	0,65%
Skopje region	268570	30,47%



**Percentage share of nights spent by visitors in the regions of RM in 2013**

Both the table and the diagram show the percentage share of nights spent in the planning regions of the Republic of Macedonia. In this regard there are also similarities to the number of visitors, i.e. the regions with highest share are the Southwest Planning Region (53.43%) and Skopje region (17.22%). The lowest number of nights spent can be noticed in the Northeast and Vardar planning regions. The East region comes next with approximately 2% (1.96%) share, followed by the Polog and Pelagonia planning regions, which also have a relatively low share. In this regard, the future strategic activities within the frame of tourism development should be directed towards these regional territories which have a low percentage share in the total number on country level.

**Table - Average stay of tourists in the East Planning Region calculated in days**

Year	Average stay of domestic tourists	Average stay of foreign tourists	Average stay of the total number
2009	1,94	2,59	2,17
2010	1,71	2,44	1,97
2011	1,96	2,33	2,12
2012	1,71	2,49	1,98
2013	1,84	2,41	2,04

**Source: State Statistical Office, own calculations**

The analysis of the Table shows that there is a difference in the average stay of domestic and foreign tourists. It is higher for foreign tourists; however there is a decrease when compared to 2009. Consequently, in 2009 the average stay of foreign tourists amounts to 2,59 days, and in 2013 it decreased to 2,41.

The average stay of domestic tourists also decreased when compared to the first analysed year, i.e. it was 19,4 in 2009, and in 2013 it amounts to 1,84 days.

The Table also gives an overview of the average stay of the total number of tourists (domestic and foreign) which notes a decrease in the past five-year period. In 2013 it amounted to 2,04.

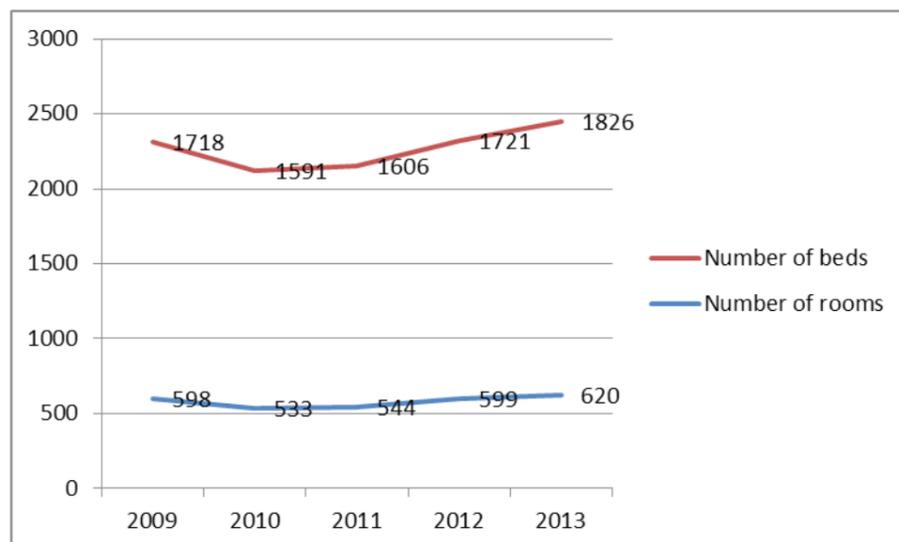
**Accommodation establishments**

The following table gives an overview of the accommodation establishments in the regions for the past five-year period.

**Table - Accommodation establishments by statistical region**

	2009	2010	2011	2012	2013
<b>Number of rooms</b>					
TOTAL	26390	26189	26448	26877	26887
Vardar region	508	554	589	689	690
East region	598	533	544	599	620
Southwest region	16369	16013	16033	16035	16050
Southeast region	2152	2105	2277	2298	2346
Pelagonia region	3102	3390	3330	3497	3322
Polog region	1080	1011	1018	1014	1072
Northeast region	297	292	302	306	300
Skopje region	2284	2291	2355	2439	2487
<b>Number of beds</b>					
TOTAL	69561	69102	69737	70287	70297
Vardar region	1360	1496	1701	1829	1819
East region	1718	1591	1606	1721	1826
Southwest region	42103	41458	41454	41458	41411
Southwest region	5750	5724	6069	6088	6298
Pelagonia region	8999	10229	10165	10310	10001
Polog region	3182	3057	3058	3059	3153
Northeast region	805	633	645	653	647
Skopje	5644	4914	5039	5169	5142

Source: State Statistical Office



The presented data shows that the East Planning Region notes both a decrease and increase in the number of accommodation establishments. In 2010 there is a rapid decrease in the number of rooms and it amounts to 533. This number increases during the following three years which is a positive outcome. In 2013, the number of rooms amounts to 620, which is higher than the first analysed year.

The number of beds in the East Planning Region has similar tendencies, which is logical. Similarly, in 2010 there is a considerable decrease when compared to the first analysed year, whereas the next period notes an increase of 1.826 beds in 2013.

**Table - Accommodation establishments in 2010 in the East Planning Region by type**

Type of establishment	Number of establishments	Number of apartments	Number of beds
Total	23	65	1499
Hotels in total	9	39	514
Hotels *****	/	/	/
Hotels ****	/	/	/
Hotels ***	2	16	161
Hotels **	3	12	129
Hotels *	4	11	224
Inns	1	3	60
Thermal spa	1	/	33
Workers' accommodation	2	/	114
Youth hotels	3	5	538
Uncategorised establishments	7	18	240

The table above shows the types of accommodation establishments in the East Planning Region. However, there is only data until 2010 since the State Statistical Office does not have information for the upcoming years. It may be noted that hotels and uncategorised establishments have the highest share in the total number of establishments. This is also the case with the number of apartments, out of which the hotels have 39, and the uncategorised establishments 18 apartments. The highest number of beds in the East Planning Region is in the youth hostels, which is above the total number of beds in the hotels and uncategorised establishments. Namely, youth hostels have 538 beds, and it can be concluded that the tourism infra and suprastructural construction provides services for accommodation of market segments who use these type of capacities. In the future period the number of the accommodation establishments of higher category should be improved.

### Tourism consumption

Tourism consumption can be presented by the achieved turnover in catering establishments. Achieved turnover on the territory of the Republic of Macedonia, as well as on the territory of East Planning Region is given in the table below.

**Table - Tourism turnover in catering establishments in RM and in the East Planning Region**

	2011		2012		2013	
	Consumption					
	Food and accommodation	Leisure	Food and accommodation	Leisure	Food and accommodation	Leisure
Tourism turnover in catering establishments in RM, in thousands of Denars	7428958	387385	7782534	383730	6389528	398687
Tourism turnover in catering establishments in Skopje planning region, in thousands of Denars	475494	10402	518463	10685	481173	13323
Percentage share of the tourism turnover of Skopje planning region in the total turnover of RM	6,40%	2,69%	6,66%	2,78%	7,53%	3,34%

Source: State Statistical Office

In the table above, difference can be noticed between the food and accommodation consumption and the leisure consumption within the last 3-year period. Namely, it is logical to expect higher food and accommodation consumption compared to leisure consumption, but there is no continuous growth, both on the level of the region and on national level. In 2012, there was an increase in the food and accommodation consumption and leisure consumption in both the Republic of Macedonia and in the East Planning Region compared to 2011. The East Planning Region marked an amount of 518.463.000 MKD in food and accommodation consumption, which decreased to 481.173.000 MKD in 2013.

There is a continuous growth in leisure consumption, which in 2013 amounted to 13.323.000 MKD.

From the overview of the percentage share of tourism turnover of East Planning Region compared to the tourism turnover on the level of the Republic of Macedonia, a relatively low share may be noticed. Namely, food and accommodation consumption in 2013 amounted to only 7.53%, whereas leisure consumption to 3.34%. There is a positive increase of the share in the last 3 years.

## 3. Planning

### 3.1 Vision

The East Planning Region is a modern region with dynamic economic growth based on development of human resources and modern technology, well-known for its preserved environment, sustainable agriculture and improved quality of life.

### 3.2 Mid-term goals

Process of identification of mid-term goals and priorities

The identification of the mid-term goals and priorities for the development of the East Planning Region is conducted on the basis of the results from the sector analysis, the input from the workshops for preparation of the programme which took place during the months of September and October 2014, where the participants in accordance to the defined vision, defined all development parameters for the previously determined areas important for the development of the East Planning Region. In the process of formulating the strategic development goals and priorities, the goals and priorities of the national strategies have been analysed in detail, as well as the revised Regional Development Strategy of the Republic of Macedonia.

The following mid-term goals are defined:

1. Economically developed region, widely recognised as attractive for investments
2. Contemporary and quality education, health and social services in the region
3. Preserved and improved environment
4. Created conditions for organised and connected usage of agricultural and rural development capacities
5. The East region is a tourist destination known for its diverse offer of selective types of tourism

### Defining the priorities

After defining the mid-term goals within the frame of the workshops and the results from the sector analysis, the priorities were defined. In this process, attention was given to the already given framework. Namely, prioritisation was done within the frame of previously determined mid-term goals. This was done in order to keep the logical structure and organisation of the development document.

Further on, a description of the mid-term goals, the priorities of each mid-term goal and the principal measures for each priority are provided.

## Mid-term goal 1

### Economically developed region, widely recognised as attractive for investments

The share of the East Planning Region in the GDP of the Republic of Macedonia is on a level which is close to the share of the population in the region in the total number of population in the country with a visible upward trend of economic activity, which is a positive result, pointing to the revitalisation and modernisation of the economy in the region. With regards to the structure of the gross value added in terms of sectors, the share of industry is almost twice as high than the country's average, which is an exceptionally positive result. However, the data regarding the gross value added are not so favourable, which may be due to the production structure in low-profit sectors.

No.	Indicators	Indicator Base year	Indicator 2019
1	Share of the region in the country's GDP	8,6%	+12%
2	GDP level per capita compared to the average	92.5%	+102%
3	Share of the region in the newly created value of the country	8.5%	+9.5%
4	Share of the industry in the total gross fixed capital formation	37.40%	+50%
5	Annual daily traffic per year on A3 Shtip-Kochani		+25%

The positive experience of attracting investments in the region and the perception that the region needs more sophisticated projects with higher added value, which will create attractive working opportunities for the young graduated students, determined the following priorities within these strategic goals:

## Priority 1.1

### Using the available resources and competitive advantages for attracting investments in the region

Outputs	Indicators
Number of appropriately mapped competitive advantages of the region	Volume of investments in fixed capital
Number of events for the promotion of the region	Number of new investors active in the region
Identified unused mineral resources	Number of requests to the economic promoters abroad
Number of defined possibilities for opening new mines, mineral and hot springs	Signed charters, exchange of business delegations, joint applications for EU projects
Number of twinnings with other municipalities and regions based on economic motives	Volume of investments in industrial zones
Number of researched and used additional incentives for investors in the field of local self-governments	Share of the industry in the total gross fixed capital formation
Number of prepared usable studies for the investors	Increased offer of deficient professions
Number of identified unused buildings and locations with infrastructure, municipal industrial parks, incubators, accelerators, crafts centres, etc.	Number of young people enrolled in vocational high schools and universities
Needs of the economy for deficient professions in the region determined	Number of new employments and opened companies by persons participating in the programmes for support for starting up a business
Popularity of vocational education raised among the youth in the region	Number of persons covered by the programme for support for starting up a business
Acquiring new skills, programmes for re-qualification and further training of adults	Number of unemployed people reduced
Survey on the needs of the region's economy for separate professions	The structure of the unemployed harmonised with the needs of the labour market

The implementation of this priority encompasses the following measures:

#### Measure 1.1.1.

##### *Mapping of competitive advantages of the region*

Attracting investors in the region is one of the best recipes for faster economic development. In order to successfully attract investments there is a need for detailed knowledge of the competitive advantages of the region. The large global companies which invest abroad follow only a narrow economic interest. They are also very selective, since the countries and regions are competing to provide the best conditions in order to be chosen as an investment location. The technological industrial development zone with modern infrastructure, the new highway and the already present foreign companies in the region, as well as the textile cluster are a part of the list of competitive advantages, joined by the experience of the work force, university, natural and mineral resources, climate, etc.

Indicative activities
<ul style="list-style-type: none"> <li>• Studies for determining the unused mineral resources in the region and studies for the possibilities for opening new mines, mineral water springs, hot water, spa centres</li> <li>• Mapping of the famous sites in the region, which can be used as a source of competitive advantages</li> <li>• Preparation of brochures for potential investments in the region according to sectors</li> </ul>

**Measure 1.1.2.**

***Harmonised labour market offer with the needs of the investors***

Long-term improvement of competitive advantages is not possible if it is based only on geographical advantages and natural resources. Successful regions are also characterised by specialised and well-trained work force. It is a fact that everywhere in the world the economy changes faster than education. The employers' needs for new technical professions are set by the technological changes, which are influenced by the wishes and needs of buyers and consumers. The educational process cannot react immediately and fine-tune to the needs of the economy. Therefore, there is a global trend towards life-long learning, re-qualification and further training. In this regard, the region will use all the opportunities present in the Employment Service Agency, and will also support other local structures in order to satisfy the needs of the economy in the region for certain professions, through training and re-qualification centres and similar activities of the local self-governments, business and civil sector in the region.

Indicative activities
<ul style="list-style-type: none"> <li>• Survey of the needs of the economy in the region for specific professions</li> <li>• Campaigns for raising the popularity of vocational education among young people in the region</li> <li>• Programmes for acquiring new skills, re-qualification and further training</li> <li>• Partnership with the business, local self-government and civil sector for opening more such centres in the region</li> </ul>

**Measure 1.1.3.**

***Securing additional incentives for investors***

Even though the measures of the central government are directed towards attracting foreign investments, there is still room for new incentives. Many industrial capacities which were active in the past are closed and the industrial yards and buildings remain unused. The local self-governments can also help in the process of investment promotion in parts of their municipalities in order to provide concentration of sectors and joining of the young work force in those parts of the region.

Indicative activities
<ul style="list-style-type: none"> <li>• Studies for determining the unused locations and commercial buildings of closed companies and co-operatives</li> <li>• Establishing small industrial parks, business incubators, accelerators and crafts centres</li> <li>• Exemption from local taxes for investors which would invest in regions which are lagging behind or are not sufficiently attractive</li> <li>• Searching for possibilities for public-private partnerships for productive usage of specific buildings and capacities</li> </ul>

**Measure 1.1.4.**

***Promotion of the region and its competitive advantages***

The success of TIDZ Shtip and the world-famous companies which are building factories there set very strict standards for quality and promotion of the region. Contemporary media is looking for a more modern approach to promotion and exceptionally high quality of the promotional material. In order to be noticed, the brochures need to have a high-quality print, the television commercials should be made by top notch productions, and the newspaper should be written by renowned journalists. Promotion takes time, determination and money in order to start having an effect, however once the effect is felt many companies and private investors become interested in the region.

Indicative activities
<ul style="list-style-type: none"> <li>• Design of new promotional material for the region, recording video presentations, TV shows, paid articles in newspapers and investment and business magazines, web-sites with industrial focus</li> <li>• Share at fairs of the regions through Europe and beyond in order to promote the regions as an attractive business destination</li> <li>• Activities for twinnings with other complementary municipalities and regions for the purpose of business development</li> <li>• Activities for business connections of entrepreneurs and businesses in the region with other regions</li> <li>• Regular contacts with the Foreign Investment Agency, with the business promoters abroad and the commercial attachés in the foreign embassies in the country</li> </ul>

**Priority 1.2.**

**Development of entrepreneurship and small business in the region**

Outputs	Indicators
Number of activities for support of entrepreneurship and the SMEs sector in the region	Number of new SMEs in the region
Number of events for promotion of innovation of SMEs in the region	Higher share of this sector in employment and GDP of the region
Number of implemented activities for support of creativity among students	Raised awareness for the importance of innovation for the competitiveness of companies
Number of promotional activities for increasing the attractiveness of vocational education among the youth population	Number of registered innovations
Number of new products for which the region is widely known	Project companies – science
	Increased creativity measured by the number of awarded ideas or business plans of students in the region
	Rate of enrolled students in these schools compared to the total number of enrolled students
	Increased number of products in the region with protected geographic origin or informally recognised as such

The implementation of this priority encompasses the following measures:

**Measure 1.2.1.**

***Supporting private initiatives and small businesses***

The East Planning Region had 5.796 active businesses in 2013. Most of them (84%) are small enterprises. There are only 175 middle-sized enterprises and only 18 large enterprises. It is important for the region to develop this sector, since it provides employment of contingents of work force, change of careers, capitalisation of tradition (arts and crafts) or local food and products and what is most important this sector stimulates innovations and product development. At the same time, the early support to SMEs is especially important for their existence.

Incubators and technological parks are types of support which are often used in development countries.

Indicative activities
<ul style="list-style-type: none"> <li>Promotional events for small business in the region especially among youth, organised independently and in cooperation with the Agency for Promotion of Entrepreneurship of the Republic of Macedonia</li> <li>Opening units in the vocational schools for selling products and services of the students in the region</li> <li>Using the tradition in the region for development of small business and craftsmanship</li> <li>Monitoring the conditions for doing business in the region and looking for additional incentives for small business and craftsmanship in the domain of the local self-government</li> <li>Regular consultations with the entrepreneurs in the region and gathering feedback</li> <li>Supporting networking of various craftsman chambers, clusters and similar initiatives for strengthening the SMEs sector</li> <li>Building incubators and/or technological parks</li> <li>Building a craftsman centre</li> </ul>

**Measure 1.2.2.**

***Supporting high-technology businesses and creative industries***

The data shows that the region achieved positive economic growth and investments; however these are concentrated in the sectors with lower added value. In order to change such trends, the region needs to make organised efforts for providing support to business initiatives for introduction of business sectors with high added value, based on innovations and/or creativity of the entrepreneur (computer science, software, engineering and design). This will contribute to increase in profitability of the economy and keeping the young and highly educated work force by providing attractive employment in the region. Innovation in creative industries as well as high-technology businesses is a big competitive advantage which should be supported. The development of high-technology is impossible without the cooperation between science and business. Research activities in most cases result in defining certain innovative elements.

Indicative activities
<ul style="list-style-type: none"> <li>Initiating incentives for entrepreneurs who invest in high-technology sectors and creative industries by decreasing communal expenses, free accommodation in the business incubator, etc.</li> <li>Support to innovation</li> <li>Organised cooperation between small businesses and research institutions in the region</li> <li>Providing funding for expert visits for technical support in high-technology contracts</li> <li>Organising meetings of investors who invest in such sectors</li> </ul>

**Measure 1.2.3.**

***Improving the capacities of businesses for access to development funds***

The owners of small and medium-size enterprises very often lack expertise in access to available development funds from MBDP, especially regarding financing from the National innovation fund and the European innovation funds. Therefore it is very important to set up a practice for regular training and development of the expertise of the management structures, as well as the members of the work teams of SMEs in the region on the access to sophisticated forms of development financing.

Indicative activities
<ul style="list-style-type: none"> <li>Tracings of companies in the region with the aim of qualifying their management structures and work teams for access to higher forms of financing for the development of companies</li> <li>Support to the cooperation between small businesses and research institutions in the region</li> <li>Organising expert visits, investors' clubs and meeting with companies which have business ideas and are looking for investors</li> </ul>

**Priority 1.3**

**Transport, communication and spatial planning**

Outputs	Indicators
Number of reconstructed A and regional sections (35 km)	Average daily traffic per year (+20%)
Length of built A and regional sections (147,7)	Average speed per kilometre on reconstructed sections (-10%)
Number of elaborated technical documentation (15)	Number of passengers in road transport (+15%)
Length of reconstructed local roads (30 km)	Number of passengers in rail transport
Number of prepared applications	Transported goods in rail transport
Number of trainings	Number of municipalities that are interconnected
Number of ICT staff in municipalities	Number of implemented applications
Number of e-services projects	Number of GIS system users
Number of promotions	Number of new e-services offered by the municipalities
Spatial plan prepared s	Number of e-services users
	Coverage of space and settlements with planning documentation (ha)

The following key measures have been identified in order to meet this priority:

**Measure 1.3.1**

***Reconstruction and construction of the road network***

The regional road network in the East Planning Region is relatively well-developed. Municipal centres are well-connected, however part of the regional road network is unfinished. The access of the entire region to the main highways in the country is burdened because of the unsuitable technical characteristics of the highways and regional roads. This is a result of the long-term lack of major investments in the highway and regional network in the region. The local road network is well-developed, however there are some smaller rural settlements which are not covered by local roads. The overall quality of the road network is far from satisfactory. The implementation of this priority will improve the quality of the road network in the region.

- Reconstruction, upgrade and construction of "A" and regional roads<sup>4</sup>
- Reconstruction and construction of local roads

<sup>4</sup> The Agency for State Roads of the Republic of Macedonia manages "A" and regional roads

Planned activities
Reconstruction and upgrade: <ul style="list-style-type: none"> <li>• “A” Veles - Shtip</li> <li>• “A3” Kochani - Delchevo</li> </ul>
Construction of new sections: <ul style="list-style-type: none"> <li>• “A3” Shtip - Kochani</li> <li>• “A4” Miladinovci - Shtip</li> <li>• “A4” Shtip - Radovish</li> </ul>
Reconstruction and upgrade of P 2343 Delchevo - Golak
Construction of : <ul style="list-style-type: none"> <li>• R 1210 Toranica – Sasa (Kr. Palanka – M. Kamenica)</li> <li>• R 1309 Probishtip – Ski Centre Ponikva</li> <li>• R 2334 Kuchichino - Vidovishte</li> </ul>
Preparation of technical documentation;
Reconstruction of local roads;

**Measure 1.3.2**

***Improving transport services and mobility***

The development of a region is in direct correlation with the development of transport. Today, modern transport means that there are various types of transport, regardless whether transport of passengers or goods. Unfortunately, today in the East Planning Region, there is mainly one type of transport, the transport of passengers, with the exception of part of the Kochansko Pole area where there is still rail transport of passengers of low quality. It can be concluded that the entire East region has limited development possibilities in terms of transport, since only a small portion of industrial sectors can develop under limited transport conditions. With regards to sustainable development and environment protection, road transport is the main cause for environment pollution. By considering the needs and possibilities for introduction of new transport services, a basis will be created for further development of rail and air transport, thereby creating conditions for public-private partnership in the transport sector. The mobility of the population will be achieved by providing conditions for alternative forms of transport.

Indicative activities
<ul style="list-style-type: none"> <li>• Events for promotion of alternative types of transport</li> <li>• Construction of pedestrian and bicycle trails</li> <li>• Promotion of rail transport</li> <li>• Projects on usage of the existing sports airports and commercial airfields for economic purposes</li> </ul>

**Measure 1.3.3**

***Integration of information and communications technology (ICT)***

The usage of information and communications technology for creating conditions for more intensive growth is an imperative today for all countries and regions. Providing e-services, digitalisation of cadastre, creating GIS systems, as well as other services which are based on information society are parts of the steps which need to be undertaken to achieve more efficient economic development. It is realistic to foresee that with the complete globalisation of the economy, e-business and e-trade will become one of the indispensable components for the creation of the business strategies of the companies, as well as a strong catalyst for economic development. The implementation of the measure will be directed towards:

- Upgrade of the GIS system
- Introduction of e-services

Indicative activities
<ul style="list-style-type: none"> <li>• GIS system trainings in the public administration</li> <li>• Preparation of new surfaces</li> <li>• Upgrading the GIS database with data from the municipalities in the region</li> <li>• Preparation of applications</li> <li>• Networking of the municipalities</li> <li>• E-governance training for the employees</li> <li>• Development of ICT staff</li> <li>• Projects on introduction of e-services</li> <li>• Preparation of government to citizen G2C applications</li> <li>• Preparation of government to business G2B applications</li> <li>• Development of web-locations in the municipalities</li> <li>• Promotion of e-services</li> </ul>

**Measure 1.3.4**

***Development of functional and spatial structures***

The networking of the Centres for development of the East Planning Region with the smaller municipalities and rural settlements for the purpose of developing functional, spatial and economic structures in the planning regions, will contribute to the achievement of a harmonised spatial and economic development, as well as an optimal spatial distribution of the population in the region, making this an important priority. The starting point towards implementation of this priority is the development, i.e. the preparation of spatial planning documentation. The urban municipal centres have spatial planning documentation, however only few of the rural settlements are covered with spatial planning documentation. This is one of the main obstacles for the development of these areas.

Indicative activities
<ul style="list-style-type: none"> <li>• Preparation of a regional spatial plan</li> <li>• Upgrade and preparation of a General Urban Plans (GUP)</li> <li>• Upgrade and preparation of Detailed Urban Plans (DUP)</li> </ul>

**Priority 1.4**

**Support for the development of the areas with special development needs**

Outputs	Indicators
The length of constructed water supply systems in the areas with special development needs	Number of inhabitants in the areas with special development needs
Length of constructed local roads towards the areas with special development needs	Number of areas with special development needs which have a sewage system
	Number of settlements with special development needs which have a water supply system

The priority will be implemented through the following measures:

**Measure 1.4.1**

***Improving the traffic and municipal infrastructure in the areas with special development needs and their connection to the closest urban centres;***

In the areas which, according to certain characteristics, have been defined as areas with special development needs, there is primarily a lack of basic transport and municipal infrastructure. The lack of this infrastructure is one of the main reasons for the low quality of life and the unsuitable working conditions in these areas. The implementation of this measure will contribute to the decrease in the causes of development difficulties in these areas lagging behind in development.

**Measure 1.4.2**

***Improving the quality of life and employment in the areas with special development needs***

Apart from the infrastructural problems which these areas are facing, the lack of employment, the low level of spatial development, as well as the low level of social development contribute to the current condition of the areas with special development needs. The improved living conditions and employment contributed to the decrease in migration from these areas. Apart from the planned measures for development support of these areas which are noted under Priority 1.4., all the settlements which are defined as areas with special development needs will be covered by the other measures as well, which refer to the planning regions as units of development.

The improvement of the living conditions and employment in the areas with special development needs will be realised through:

- Preparation of planning documentation for the areas with special development needs
- Supporting cross border cooperation in the border areas for economic, cultural, social and other purposes;
- Revitalisation of these areas.

**Mid-term goal 2**

**Modern and quality education, health and social sectors**

The quality of life in the region does not depend only on investments in the economy. Besides the increase in investments, in parallel, there is a need for raising the level of social protection, child social protection, education and health in the region. If the region wants to stop the young people from leaving and to provide them with career opportunities, it must also accordingly raise the level of the abovementioned sectors. The region must provide good child social protection, quality education on all levels, modern health services, care for the elderly and all other vulnerable categories.

NO.	Indicators	Indicator Base year	Indicator 2019
1	Unemployment rate	19,5%	15%
2	Children aged 0 to 5 in kindergartens (%)	34,4%	38%
3	Households using social financial assistance (per 1.000)	16,2	14
4	Number of kindergartens - total	29	32
5	Number of old people's nursing homes	0	2

Taking into consideration the relatively favourable conditions in the region in the social sector, the planning action will be directed towards the parts in the region in which the conditions are not as favourable as the region's average. For example, in the health sector, on the one hand there is modern equipment, MRI, laser eye operation, etc. and on the other hand, in rural areas very often even the basic conditions are not met. Considering the abovementioned conclusions, the following priorities are foreseen for this strategic goal:

**Priority 2.1.**

**Improving the spatial conditions and equipping schools in the region**

Outputs	Indicator
Number of projects on reconstruction of the education capacities	Number of primary schools Number of high schools
Number of projects on equipment procurement	
Number of projects on construction and upgrade of educational facilities	

Within the frame of the priority "Improving the spatial conditions and equipping schools in the region", the following measure is foreseen:

**Measure 2.1.1.**

***Reconstruction and construction of school buildings, halls of residence for high school and university students***

Improving the standard of the schools especially those which provide vocational training will also create a positive perception for them, thereby increasing their enrolment rate. These activities are ongoing and both the line-ministry and the local self-governments are involved in the process. Furthermore, international development agencies are also active in this field on the level of the country and in the region. The harmonisation of educational capacities, i.e. providing an adequate infrastructure and equipment for the inclusion of children with disabilities in regular education will contribute to having equal conditions.

Indicative activities
<ul style="list-style-type: none"> <li>• Reconstruction and construction of the capacities and the systems in the buildings, especially changing the asbestos roofs in all the schools in the region</li> <li>• Reconstruction of the existing high school halls of residence, initiating the construction of halls of residence for university students (student city)</li> <li>• Projects on construction of an infrastructure and procurement of adequate equipment in the educational institutions for children with disabilities</li> <li>• Cooperation with the National agency for mobility of students and teachers</li> <li>• Cooperation with the business sector in the process of organizing laboratories and practical training</li> <li>• Approaching donor organisations active in the field of education, project application and their implementation as a region</li> </ul>

**Priority 2.2.**

**Improving the conditions of health care institutions in the region**

Outputs	Indicators
Number of projects on reconstruction of health care institutions	Number of renovated and equipped health care units
Number of projects on construction or upgrade of health care institutions	Decrease in the number of doctors and other medical personnel leaving the region
Procured equipment	Improved access for the population from remote areas to health care services
Number of implemented projects on increasing the capacities	Improved spatial conditions in health care on the level of the region

The following measures are foreseen for the priority improving the conditions in primary and secondary health care in the region:

**Measure 2.2.1.**

***Modernisation of the existing and construction of new health care capacities especially those in the rural areas of the region***

The standard of health care capacities in the region varies, from highly equipped units with modern equipment, with guest doctors from world renowned hospitals, to remote infirmaries with fifty-year old equipment. Therefore, there is an evident need to balance these disparities and to provide standard services for all citizens in the region, regardless where they live.

Indicative activities
<ul style="list-style-type: none"> <li>• Determining the spatial needs in health care especially in the rural areas of the region</li> <li>• Including the municipalities in the process of finding adequate space for infirmaries</li> <li>• Implementation of projects with donor or EU funds</li> </ul>

**Measure 2.2.2.**

***Economic usage of equipment and knowledge in health care for attracting foreign patients***

The highly sophisticated medical equipment in the region and the visits from world-renown hospitals creates an opportunity for development of so called health tourism. This advantage in hand with the nearby mineral springs opens the possibility for development of spa tourism and rehabilitation.

Indicative activities
<ul style="list-style-type: none"> <li>• Defining the possibilities for economic usage of the modern equipment for patients from the wider surrounding area</li> <li>• Defining the possibilities for development of rehabilitation centres within spas in the region</li> <li>• Finding financial donations and usage of EU funds for these purposes</li> </ul>

**Priority 2.3.**

**Better social inclusion of all vulnerable categories of population**

Outputs	Indicators
Study on the conditions of child social protection and the need for new kindergartens in the region	Determined condition of the child social protection domain and the need for new kindergartens in the region
Number of implemented projects on child social protection and vulnerable categories of population	Active protection of children and vulnerable categories
Number of organised events, various competitions, sports, concerts, student events etc., focusing on youth and other vulnerable categories	Activities which would divert the youth from asocial and pathological activities and would direct their development
Temporary accommodation establishments, halls of residence and day-care centres for re-socialisation,	Better social housing, halls of residence and day-care centres for re-socialisation,
Study on the conditions of this category of population, number of needed old people's nursing homes in the region	Improved conditions for protection of elderly people in the region
Number of projects on adjusting the urban infrastructure and equipment for persons with special needs	Those who receive social protection are adequately protected in accordance with the possibilities of the region
Number of projects on construction of adequate infrastructure for accessibility and movement of persons with special needs in public buildings	Number of buildings with adequate infrastructure and equipment for persons with special needs
Centres for temporary accommodation of persons, community kitchens for those in need	Number of adjusted urban and traffic infrastructure for persons with special needs

This priority will be achieved through the implementation of the following measure:

**Measure 2.3.1.**

***Satisfying the needs of the region in the field of contemporary child social protection and educational inclusion***

The region is characterised by better child social protection than the country's average through the network of kindergartens. However, a study such as this one should answer the question whether the network is adequately located and will give directions to the involved stakeholders for better harmonisation with the variable needs of families and children. As it develops, the region will need higher forms of protection in the existing kindergartens or private institutions. The region should carefully monitor these preferences of young families, since this can be an important factor for them when making the decision to leave the region in search for a better living standard.

The practices of the more developed regions should be considered, for example Skopje or a wider context, the twinning cities or region in the EU, so as to provide preschool creative workshops, foreign languages, etc. to preschool children. Furthermore, together with the business sector the possibility should be considered for locating kindergartens around the industrial zone and near the industrial parks of closed textile factories.

Indicative activities
<ul style="list-style-type: none"> <li>• Analysis of the conditions in the field of child social protection of preschool children</li> <li>• Coordination of activities with the line ministry</li> <li>• Supporting young professionals to choose a career in this domain of children protection</li> <li>• Stimulating and opening new higher forms of child social protection in the region such as creative centres, workshops, learning foreign languages through playing, socialisation and communication, acting, singing and similar activities suitable for their age</li> <li>• Engaging local self-governments in determining special incentives for such centres</li> <li>• Common activities with the business partners for the implementation of activities under this priority</li> </ul>

**Measure 2.3.2.**

***Improving the elderly care in the region***

The demographic data in the region show that the population is slowly but surely getting old. There is a real need for organised approach towards protection of elderly also because of the fact that following the recovery of the economy, people will be employed and old people left alone during the day. Therefore, the need for old people’s nursing homes, clubs and day-care centres in the urban parts of the region will become more visible. Some elderly people will have the need for full care and for this purpose one or more old people’s nursing homes need to be opened, with state support, as a private investment or some type of PPP, so as to fulfil the needs of the elderly.

Indicative activities
<ul style="list-style-type: none"> <li>• Analysis of the current and especially of the future needs for elderly protection in accordance with the National Ageing Strategy</li> <li>• Coordination of activities with the line ministry</li> <li>• Supporting young professionals for a career in this domain</li> <li>• Engaging local self-governments in determining incentives for entrepreneurs who would like to invest in this domain</li> <li>• Analysis of the experience of the more developed regions (Skopje) or regions in Bulgaria or other EU countries</li> <li>• Organising and supporting the process of applying for EU funds from the IPA programme for the needs of this population (organising info days, etc.)</li> <li>• Building old people’s nursing homes</li> <li>• Introducing new services in the field of elderly social protection</li> </ul>

**Measures 2.3.3.**

***Building centres for temporary accommodation, homeless shelters, and community kitchens for social welfare beneficiaries***

Socially vulnerable categories in the society are very common in undeveloped economies; however, they do not disappear with economic development. What changes is the type of risk and protection which needs to be provided by the society. These kinds of centres for socially vulnerable persons are in the domain of economic support, such as homeless shelters, community kitchens, etc. and more sophisticated forms such as psychological counselling centres and centres for contemporary addictions (depression, alcoholism, alienation, etc.).

Indicative activities
<ul style="list-style-type: none"> <li>• Analysis of the present and especially future needs for protection of these social groups and types of help</li> <li>• Coordination of activities with line ministries</li> <li>• Supporting young professionals to choose a career in this domain</li> <li>• Analysis of the experience of more developed regions for applying for EU grants for the needs of these socially vulnerable categories</li> </ul>

### Mid-term goal 3

#### Preserved and improved environment

The sustainable development towards which the East region strives is based on environment protection. Neither sustainable development of tourism, nor sustainable development of agriculture, as well as the development of other economic sectors is possible without providing environment protection. The implementation of this mid-term goal will create conditions for sustainable development of the region. It is planned to achieve this goal through measures in the field of waste management, waste water management, climate change, as well as re-cultivation of polluted soil and biodiversity protection.

No.	Indicators	Indicator Base Year	Indicator 2019
1.	Percentage of collected communal waste	86,11%	91 %
2.	Percentage of treated water in industry and mining	1,2%	25%
3.	Coverage of the population with wastewater treatment plants	7,7%	15%
4.	Number of protected areas in the East Planning Region	0	2

The following priorities are foreseen for this mid-term goal:

#### Priority 3.1

##### Regional solid waste management

Outputs	Indicators
Number of trainings ( 5)	Operational regional public enterprise
Number of competences of the public enterprise on regional level	Started construction of a regional landfill (1 or 2) depending on the feasibility study
Number of trained staff (30)	Started implementation of regional waste management
Procured equipment (1)	Percentage of recycled waste
Prepared application (1)	Percentage of collected waste
Prepared technical documentation (1)	Quantities of organic waste which ends up in landfills
Number of analysis and research	Coverage of the population with a system for collecting waste
Number of implemented activities for introducing waste selection and recycling	
Number of implemented projects	

The implementation of this priority encompasses the following main measure:

##### Measure 3.1.1

###### *Introducing regional waste management and improving the existing waste management*

Today, every municipality in the East Planning Region is responsible for waste management. In every municipality, the local public enterprise collects and deposits the solid waste. The general condition in this sector is far from satisfactory. Over the last years, there have been efforts for introducing regional waste management. A regional public enterprise has been established, which is still not operational. The process of introducing regional waste management is supported by the EU. In 2013, a regional waste management plan was prepared. The process of introducing regional solid waste management is complex and in the programming period focus will be given to:

- Strengthening the capacities of the regional waste management enterprise
- Integrated solid waste management

- Improving the existing waste management

Indicative activities
<ul style="list-style-type: none"> <li>• Education of human resources</li> <li>• Institutional strengthening</li> <li>• Procurement of equipment</li> <li>• Preparation of a feasibility study</li> <li>• Preparation of other studies (socio-economic analysis, study on payment possibilities, etc.)</li> <li>• Preparation of technical documentation for regional landfill/s and internal waste landfills</li> <li>• Procurement procedures for construction</li> <li>• Activities for decreasing generation of waste</li> <li>• Activities for introduction of waste selection and recycling</li> <li>• Broadening the scope of services for waste collection in rural areas</li> <li>• Activities for separating hazardous waste from municipal waste (batteries)</li> </ul>

#### Priority 3.2

##### Water resources protection

Ensuring healthy drinking water is the first priority of every society. Water management and water resources management is a complex and costly process. Water resources in the East Planning Region are under constant danger of being polluted by the existing mines. At the same time, the region faces problems with supplying drinking water, especially during the summer period. The region generally lacks water resources, therefore the existing water resources need to be protected from any kind of pollution.

Outputs	Indicators
Number of prepared and organised public campaigns	Percentage of technical loss (- 20%)
Number of implemented projects on decreasing technical losses	Percentage of population covered by a water supply system
Length of the newly built water supply systems	Implemented measures foreseen with the plan for river basin management (4)
Prepared water management plan	Drinking water quality
Trainings, workshops held	Improved water resources monitoring and evaluation system
Number of declared protected zones	Coverage of the population with water treatment plants
Number of monitoring stations	Concentration of BPK5 in rivers (-20%)
Number of water treatment plants	
Total capacity of water treatment plants (Kochani, Zrnovci and Vinica)	
Length of newly built waste water systems	

The implementation of this priority includes the following main measures:

**Measure 3.2.1**

***Improving water supply***

Water supply systems in the region are characterised by large technical losses of water. This is one of the reasons why there are water restrictions during certain periods of the year in some of the urban settlements in the region. The implementation of this measure will be conducted by means of the following main components:

- Conserving water
- Water supply systems

Indicative activities
<ul style="list-style-type: none"> <li>• Organising public campaigns</li> <li>• Projects on decreasing technical losses of water</li> <li>• Stopping unauthorised users</li> <li>• Building filter stations</li> <li>• Building water supply systems in rural settlements</li> </ul>

**Measure 3.2.2**

***Protection of surface and underground water***

Water resources are very important for the development of this region. Sustainable water management will create conditions for sustainable development of the region. The East region is known for the river Bregalnica. The protection of the water in the Bregalnica river basin, both surface and underground, is an imperative for all municipalities belonging to the East region. The implementation of this measure is directed towards:

- Water management
- Monitoring of watercourses
- Wastewaters

Indicative activities
<ul style="list-style-type: none"> <li>• Bregalnica river basin management plan</li> <li>• Strengthening the capacities of the institutions responsible for water management</li> <li>• Protected zones around the springs</li> <li>• Increasing the number of monitoring stations for surface waters</li> <li>• Introducing monitoring of underground waters</li> <li>• Wastewater treatment plants</li> <li>• Systems for collection and disposal of wastewater</li> </ul>

**Priority 3.3**

**Sustainable energy usage**

Outputs	Indicators
Number of prepared studies	Share of renewable energy sources in the total energy balance (+1%)
Number of prepared technical documentation	
Number of built hydro power plants	Installed capacity for electricity production ( +3 MW)
Number of organised public campaigns	Photovoltaic power stations ( + 0,5 MW)
Number of prepared and disseminated informational materials	Number of projects on improving the energy efficiency in the private sector
Number of educational activities in the educational system	Energy consumption per sector
Number of prepared analyses	Number of implemented projects with other sources of financing
Savings in the buildings where energy efficiency improvement measures have been undertaken	Number of urban settlements with access to gas pipeline (2)
Prepared feasibility studies	Number of gas users
Construction of part of the primary gas pipeline	Gas consumption in m3
Length of constructed gas pipeline network	

The implementation of this priority encompasses the following measures:

**Measure 3.3.1**

***Using the potentials for energy production from renewable energy sources***

Energy production from renewable sources of energy contributes towards greater energy efficiency. The region has certain potentials for energy production, mostly from the sun, geothermal energy and biomass. By implementing this measure, the potentials for energy production will be identified and the initial steps towards maximum usage of these potentials undertaken. The following potentials for energy production will be considered within the frame of this measure:

- Biomass, wind, sun and geothermal energy
- Hydro potential

Indicative activities
<ul style="list-style-type: none"> <li>• Preparation of feasibility studies</li> <li>• Research and analysis</li> <li>• Preparation of technical documentation and cogeneration power plants</li> <li>• Preparation of projects on RER usage</li> <li>• Implementation of pilot projects on biomass usage</li> <li>• Projects on sun energy usage</li> <li>• Construction of small hydro power plants ( up to 1 MW).</li> </ul>

**Measure 3.3.2**

***Decreasing energy consumption***

The high energy consumption contributes to higher emission of greenhouse gases and increased environment pollution. The traditional methods for using energy among the population are characterised by inefficient energy consumption in order to meet the basic needs. The implementation of this priority will contribute to awareness raising among the population, which will directly contribute to the reduction of consumption in the households, will decrease environment pollution and will contribute to savings in the household budget. The most efficient way of decreasing environment pollution from energy production emission is saving the already produced energy. This is due to the fact that the potentials for producing energy from renewable energy sources are limited. The measure will be implemented by:

- Raising public awareness about energy efficiency
- Improving energy efficiency

Indicative activities
<ul style="list-style-type: none"> <li>• Preparation of public campaigns</li> <li>• Preparation of informational materials</li> <li>• Educational activities in the education system</li> <li>• Analysis of heat losses in public buildings</li> <li>• Preparation of technical documentation for increasing energy efficiency</li> <li>• Projects on installing low energy lighting in public buildings</li> <li>• Implementation of projects on increasing energy efficiency in public buildings</li> </ul>

**Measure 3.3.3**

***Gas pipeline system***

The competitiveness of an economy to a large extent depends on the provision of as cheap as possible energy and energetic materials. Today, there is no gas pipeline in the East region at all, which puts the companies and especially the industry sector in a less favourable condition when compared to the regions where the gas pipeline is partially built. Therefore, the East region is less attractive for investments in industries where energy and energetic materials constitute a large portion of expenses. Gas as an energetic material also has the least influence on the environment. In the upcoming period, the development of a gas pipeline network will be one of the basic priorities in the energy sector. The introduction of gas will be implemented through the construction of a primary and distribution gas pipeline network.

Indicative activities
<ul style="list-style-type: none"> <li>• Preparation of a feasibility study</li> <li>• Preparation of technical documentation</li> <li>• Construction of a primary gas pipeline network</li> <li>• Construction of a distribution city network</li> </ul>

**Priority 3.4**

**Climate change and biodiversity protection**

Outputs	Indicators
Number of implemented projects	Number of protected areas in the East Planning Region
Forested areas	Area of newly declared protected areas
Areas with domestic types of trees	Number of different types of game
Prepared regional climate change plan – green agenda	Number of types of fish
Number of projects implemented with other sources of financing	Forest areas
	Greenhouse gas emissions

The implementation of this priority includes the following measure:

**Measure 3.4.1**

***Biodiversity protection***

Changes of the environment considerably influence biological resources and the functioning of the biosphere. There are alarming findings concerning the permanent decrease of biodiversity, i.e. constant decrease of different types of biological treasures, therefore measures must be undertaken on regional and local level to fight and ameliorate the negative effects on biodiversity.

Indicative activities
<ul style="list-style-type: none"> <li>• Activities for declaring new protected areas</li> <li>• Projects on biodiversity protection in the protected areas</li> <li>• Projects on planting domestic types of trees</li> <li>• Projects on increasing the number of domestic types of game and fish</li> <li>• Preparation of cross-border cooperation projects on biodiversity protection</li> <li>• Projects on eradication of the pine processionary in forests</li> </ul>

**Measure 3.4.2**

**Climate change**

Over the past several years, we have been constantly witnessing the effects of climate change. According to the predictions, in the upcoming 50 years climate change will cause considerable effects on important economic sectors: agriculture, energy, transport, health and tourism, thereby also having an effect on regional development. Besides the effect on economic development, climate change will cause many changes and loss of ecosystems and biodiversity, and will also influence social development, i.e. it will influence households and economy, as well as other groups in the society, especially elderly persons, persons with special needs and low income households.

Therefore, measures must be undertaken for mitigating climate change (part of them are encompassed in the energy priority) and measures of adapting to climate change.

Indicative activities
<ul style="list-style-type: none"> <li>• Installation of monitoring stations for air quality</li> <li>• Projects on decreasing greenhouse gas emissions</li> <li>• Organising public campaigns, educational workshops</li> <li>• Pilot projects</li> <li>• Preparation of a regional plan for adapting to climate change</li> <li>• Regulating watercourses</li> <li>• Measures for protection against floods</li> <li>• Construction of small water storages</li> <li>• New forested areas</li> </ul>

**Mid-term goal 4**

Created conditions for organised and connected usage of agriculture and rural development facilities

Agriculture is an important source of revenue for a large number of households in the rural areas in the region. Many are employed in small family farms which are oriented towards using the potential in the sector, especially in the mountainous areas. It is important to mention that sheep husbandry is a long and recognised tradition in the region represented by separate products (Ovchepolska sheep, Berovsko and Osogovsko cheese). Other important agricultural products from the region are Berovo potatoes, Kochani rice, plums and cherries. Over the last decade a significant improvement of wine production has been noticed, which can produce larger amounts of grapes than the amount produced in the flatlands. Therefore, the proposed measures for development of the region are based on organised usage of the capacities and potentials, as well as on continuous education and capacity building of all rural development stakeholders.

No.	Indicators	Indicators Base year	Indicator 2019
1	Total agricultural production in tonnes	100.531	125.000
2.	Value of the production in the agriculture sector in million MKD	6.401	10.000
3.	Irrigated land ha	9.932	10.200
4	Number of agricultural holdings using irrigation	11.806	12.200

The priorities for implementation of this mid-term goal are:

**Priority 4.1**

**Creating infrastructure and other related conditions for agricultural and rural development of the region**

Outputs	Indicators
Number of prepared technical documentation for secondary irrigation network	Length of newly built secondary irrigation network
Established body for regional cooperation	Area of agricultural land covered by irrigation network
Initiative for new by-laws	Length of reconstructed irrigation network
Adopted detailed urban plan for purchasing centres	Technical documentation and simplified procedures for investing in agriculture
Prepared procedure for legalisation of production capacities on construction land which are of an economic interest for the region	Legal solution for installing irrigation pipes on state-owned land
Number of legalised sites	Started construction of a local purchasing centre

The implementation of this priority encompasses the following measures:

**Measure 4.1.1.**

***Revitalisation and upgrade of the irrigation network***

It is hard to achieve agricultural development through the usage of modern technologies and production methods without proper infrastructure. Today, despite the efforts for revitalisation of irrigation systems, the condition of the systems does not fulfil the needs for intensive production. The development of a more outspread secondary irrigation network is of utmost importance for the development of agriculture in the region. The implementation of this measure will increase the area covered by irrigation systems and will also improve the management. Within the frame of the measure there are also activities for decreasing flood risks through maintenance of channels. Apart from the activities directed towards reconstruction of the existing and construction of new infrastructure, there is a need to improve the regular maintenance of existing channels.

Indicative activities
<ul style="list-style-type: none"> <li>• Initiative on legalising the installed pipelines on state-owned land</li> <li>• Study on the irrigation potential through a secondary network (additional channels)</li> <li>• Construction of new irrigation network</li> <li>• Reconstruction of the existing irrigation network</li> <li>• Activities for cleaning the irrigation channels</li> <li>• Training on modern irrigation for separate crops</li> <li>• Study on the water storage Jagmular</li> </ul>

**Measure 4.1.2.**

***Creating conditions for increasing investments in agriculture***

The investments in agriculture generate the development of agriculture. The investments in this field are mostly connected to the introduction of new technology which leads to increased production and improved quality of agricultural products. Part of the problems which have been identified as causes for the relatively small investments in agriculture, such as the unplanned production, the lack of detailed urban plans for rural areas, illegal sites, etc., will be solved with the implementation of this measure, thereby creating better conditions for investing in agriculture. Special focus will be given to legalisation of economically important sites, which are important for the increase in investments.

Indicative activities
<ul style="list-style-type: none"> <li>• Establishing a body for inter-municipal (regional) cooperation for agriculture and rural development</li> <li>• Initiative for unifying the price for soil analysis</li> <li>• Preparing a revolving fund project for farmers</li> <li>• Adopting a detailed urban plan for agricultural products purchasing centres</li> <li>• Initiative for legalisation of buildings for primary production which are located on construction sites, and are of an economic interest to the region</li> </ul>

**Priority 4.2.**

Improving the capacities in agriculture and promotion of agriculture and rural development

Outputs	Indicators
Number of conducted research and analysis	Number of trained individuals  Number of applicants for projects from different programmes  Number of financially supported projects  The amount of approved financial means for support to projects.
Number of trainings in farmers	
Number of branded products	
Number of promotional events	
Number of visitors in educational events	
Number of consultancy services	
Number of study trips and visits	
Number of educational materials	
Number of web-sites	
Number of prepared promotional materials	
Number of informative meetings	

The implementation of this priority encompasses the following measure:

**Measure 4.2.1.**

***Improving human resource capacities in agriculture***

The improvement of competitiveness of agriculture in the region is in correlation with the usage of modern measures for improving and increasing agricultural production. Today, the social and natural surrounding is constantly changing; therefore, strengthening human resource capacities in agriculture is one of the key measures for providing conditions for development of agriculture. Agriculture today is practiced traditionally, as family tradition, and not as a market-oriented business. Farmers are very often indifferent or against the implementation of any kind of measures for development of agriculture, mostly due to lack of knowledge and information. Moreover, today there are more possibilities for receiving financial support in agriculture. Through trainings, farmers will learn how to apply for different available programmes, to decrease production expenses and to introduce new technologies and management skills.

Indicative activities
<ul style="list-style-type: none"> <li>• Trainings in using financial means from various funds</li> <li>• Trainings in entrepreneurial skills in agriculture</li> <li>• Trainings in production planning in accordance to the pedological map of the region</li> <li>• Research of the priority production needs for crops and livestock</li> <li>• Promotion of new rice varieties and production technologies</li> <li>• Supporting events (exhibitions, fairs, gatherings) for promotion of local products important for the development of rural tourism</li> <li>• Trainings in new varieties of grapes in accordance to the needs of the local industry</li> </ul>

**Measure 4.2.2**

***Studies and projects on support and promotion of rural and agricultural development***

The East region has many known products which considering their quality should receive their deserved position on the market, both in Macedonia and abroad. In addition to the natural conditions and tradition for their production, the hygiene and food safety standards are becoming important for both the primary and processing production. The fast and correct post-harvest operations are the basis for ensuring product quality and their placement on more distant markets. Therefore, there is a need for preserving the existing and development of new infrastructure for this purpose. This measure will also be achieved through activities for promotion of the visibility of local products, and consequently the region in general.

Indicative activities
<ul style="list-style-type: none"> <li>• Product analysis and branding</li> <li>• Support for preparation of studies on production of branded products and usage of the funds from the Ministry of Agriculture, Forestry and Water Economy</li> <li>• Analysis of the needed infrastructure for post-harvest operations in the region</li> <li>• Trainings in post-harvest operations (transport, cooling, maintenance, packaging)</li> <li>• Trainings and promotion for preserving the traditional production of separate garden crops and live-stock breeding</li> <li>• Osogovo and Berovo cheese</li> <li>• Ovchepole sheep</li> <li>• Berovo potatoes</li> <li>• Maleshevo rakia, etc.</li> </ul>

**Mid-term goal 5**

**The East region is a tourist destination known for its diverse offer of selective types of tourism**

Tourism as an economic activity is one of the high-range sectors, mainly due to the large number of synergies with other sectors. The East Planning Region is predominantly a mountainous region, and as such it is identified as a region with potential for development of the tourism sectors. The East region is rich in natural and cultural heritage, which attracts tourists' attention. Therefore, the planned development of tourism is based on the usage of natural resources and the rich cultural heritage, which are in a direct and interactive co-relation. The development of selective types of tourism and a unique tourism image of the East Planning Region are one of the main imperatives for the development of the region. The presence of many natural treasures and cultural heritage provides for the possibility for developing an all year round tourism.

No.	Indicators	Indicator Base year	Indicator 2019
1	Total number of tourists in the region	20.747	+ 15%
2.	Average number of nights spent in the region	2,04	3,04
3.	Percentage share in the total tourism profit in RM	7,28%	8,28%
4.	Number of beds	1826	2200

The priorities to be implemented are:

**Priority 5.1**

**Development of selective types of tourism (mountain, rural, cultural and spa tourism)**

The East Planning Region has an attractive cultural and natural heritage which provides for the possibility for development of cultural, mountain, rural and spa tourism. The development of selective types of tourism will attract tourists who will get to know the natural and cultural treasures of the region, as well as the rich ethnographic values and traditional food. There are also important potentials for the development of tourism in the mountain area around the authentic Macedonian villages and the traditional farming customs for storing, production and procession of ecologically clean food. The region is also rich in geothermal resources which offer possibilities for development of spa tourism.

Outputs	Indicators
Number of urban architectural plans	Number of accommodation establishments
Number of reconstructed and paved roads	Number of functional info points and centres
Number of constructed and reconstructed accommodation establishments	Number of invested funds in renewed infrastructure
Number of info centres and info points	Length of paved roads leading to the tourist localities in km
Prepared tourist programmes	Increased number of tourists
Number of sold tourism offers	Length of tourism stays per tourist
Cooperation of the region with other neighbouring regions	
Number of printed promotional materials	
Number of installed information boards	

The implementation of this priority includes the following measure:

**Measure 5.1.1**

***Mapping and valorisation of natural and cultural heritage***

The East Planning Region has rich cultural and natural heritage, however that does not mean that the entire heritage has a value of tourism. Therefore, there is a need for development of studies which will determine which heritage is attractive for tourism purposes. The measure will be implemented through:

- Preparation of studies and mapping of tourism potentials of cultural and natural character
- Promotional activities for tourist attractions from the natural and cultural heritage

Indicative activities
<ul style="list-style-type: none"> <li>• GIS localisation of the most important attractions</li> <li>• Project for tourism valorisation of values of tourism and plans for their sustainable usage</li> <li>• Preparation of interactive maps with new programme packages</li> <li>• Preparation of promotional materials for tourist attractions</li> </ul>

**Measure 5.1.2**

***Preparation of strategic tourism documents***

In order to achieve the foreseen mid-term goal, it is necessary to prepare an integrated tourism offer, which will connect the separate tourism and cultural heritage sites, thereby increasing the rate of visits and extending the stays of tourists in the region. The marketing, development strategies, branding of certain sites, areas, products and services should be integrated and comprehensive. This measure also foresees support to projects on development of new tourist products connected to a certain topic. In order to provide conditions for tourism development, there is a need for preparation of detailed urban plans and technical documentation for the region. The measure will be implemented by:

- Preparation of a marketing strategy for selective forms of tourism
- Adequate categorisation of tourist sites

Indicative activities
<ul style="list-style-type: none"> <li>• Market research and defining target groups</li> <li>• Preparation of urban and architectural plans</li> <li>• Categorisation of tourist sites</li> <li>• Preparation of proposals for regulating the degree of protection of natural and cultural values</li> <li>• Preparation of analysis for the capacity of the space surrounding tourist sites</li> </ul>

**Measure 5.1.3**

***Improvement of tourism infrastructure***

The main precondition for tourism development is the existence of a modern and high-quality infrastructure, both in terms of transport and tourism infrastructure, i.e. accommodation establishments and other adequate infrastructure on site. Today, some of the natural, cultural and historical site do not have an appropriate access and are not properly marked. Apart from modern infrastructure for accessing the sites, there is a need for installation of traffic signs for the cultural and historical monuments, tourist attractions and catering establishments in the East Planning Region. Some of the existing natural, cultural and historical sites do not provide conditions for longer stays, mainly because of the poor state of the location, i.e. lack of basic urban equipment. The implementation of the measure will create conditions for a more dynamic tourism development.

The measure will be implemented by:

- Reconstruction/construction of and access to tourist sites

- Reconstruction/construction of other infrastructure in tourist sites (sewage/water supply system)
- Equipping the tourist site with urban equipment
- Construction of additional tourism infrastructure (catering establishments, wire transport, etc.)
- Building accommodation establishments

Indicative activities
<ul style="list-style-type: none"> <li>• Providing favourable conditions for construction of accommodation establishments</li> <li>• Construction of a sewage network in Ponikva</li> <li>• Construction of a regional road Ponikva-Probishtip</li> <li>• Improving the access to Maleshevo area, Golak, Osogovo and Plachkovica</li> <li>• Improving the road communication to Chegeno Kale</li> <li>• Construction of cable car systems and other infrastructure for improvement of the tourist offer on Ponikva</li> <li>• Construction of a ski lift in Berovo and Plachkovica</li> <li>• Study on the development of Golak</li> <li>• Infrastructure on Golak – camp, accessible road, accommodation establishments and etc.</li> <li>• Reconstruction of the annexe in Kezhovica (owned by a public enterprise) in Novo Selo, Shtip</li> <li>• Promotion of the Spa Centre Vinica</li> <li>• Construction and equipping the thermal aqua park in Kochani</li> <li>• Revitalisation of old houses and construction of accommodation establishments, catering establishments and commercial buildings connected to the ethnographic heritage in rural areas</li> <li>• Marking mountain trails for walking and cycling</li> </ul>

**Measure 5.1.4**

***Providing information, signalisation and visualisation of tourist attractions***

Tourist attractions of natural and cultural character will remain unknown if their precise location is not provided. For this purpose, there is a need for an easier access for tourists, i.e. marking and installing multilingual signalisation is indispensable. At the same time, tourist sites should provide general information, information boards, which will give basic data about the tourist attraction.

On the other hand, info points and info centres will serve as providers of information and promotion of tourism potentials, including individual service providers in the region.

The content of the information would refer to the natural and cultural tourism potentials, their working hours, access, and possibility for additional tourist activities. All this can contribute to improvement of the image of the East Planning Region as a tourist destination and the quality of the experience of tourists. This mainly refers to individual tourists.

The measure will be implemented by:

- Construction of info points and info centres
- Improving the signalisation of tourist sites
- Identification and visualisation of tourist attractions

Indicative activities
<ul style="list-style-type: none"> <li>• Preparation of a plan and opening info points and centres in the region</li> <li>• Improving the existing and construction of new signalisation</li> <li>• Electronic info boards throughout the region</li> <li>• Integration of software within the info points containing information on the tourist attractions in the region</li> <li>• Development of applications (programs) for presentation of important attractions in the region</li> </ul>

**Measure 5.1.5**

**Designing a visible regional tourist offer**

The East Planning Region has potentials for development of various selective types of tourism. The region as a separate entity should gradually develop into a recognised tourism destination. This can be achieved by integrating attractive resources of the region in tourist offers and their promotion, thereby increasing the satisfaction of tourists and achieving a more balanced tourism development in the region. This measure will be implemented by:

- Networking of travel agencies and other tourism service providers throughout the region
- Development and establishment of destination management
- Creating tourist programmes and their promotion
- Creating attractive tourist offers which contain selective types of tourism
- Mapping and valorisation of cultural and natural resources in the region for introducing alternative types of tourism

Indicative activities
<ul style="list-style-type: none"> <li>• Developing common tourist products</li> <li>• Introducing destination management</li> <li>• Organisation and presentation of fairs</li> <li>• Supporting cultural and sports events</li> <li>• Supporting travel agencies for promotion of regional tourist programmes</li> <li>• Promotion of gastronomy as part of the culture of the region</li> <li>• Promotion of a monastery tour</li> <li>• Supporting travel agencies for promotion of regional tourist programmes</li> <li>• Promotion of spa tourism – Kezhovica</li> <li>• Promotion of the tourism and recreation area – Lesnovo</li> <li>• Preparation of promotional materials in the field of tourism</li> <li>• Development of food tourism in the region</li> <li>• Promotion of AQUA PARK and AQUA FEST Probishtip</li> <li>• Reconstruction of old buildings (ethno houses) for development of rural tourism</li> </ul>

**Priority 5.2**

**Strengthening the institutional and human capacities for development of the tourism sector**

Outputs	Indicators
Number of employed persons working on tourism development in municipalities	Number of established tourism sectors/departments
Number of constructed tourist information desks	Number of tourist information desks
Number of organised meetings of all tourism stakeholders	Number of trained candidates in training centres and issued certificates
Number of concluded contracts in tourism	Number of certified guides
Established informal education centres	Number of employees in tourism
Number of organised workshops and trainings	
Number of implemented campaigns	
Number of issued certificates for standardisation and quality of services	

The implementation of this priority encompasses the following measures:

**5.2.1 Education, training, exchange of experience and good practices in tourism**

Tourism development in the East Planning Region is not possible without having quality human resources. Well trained staff and their regular upgrade, in accordance with the new trends, is the main tool for the development of any sector including tourism. Apart from upgrading employees in the tourism sector (administration, business sector, catering industry), there is a need for awareness raising and education of local population with regards to hospitality and accepting tourists. Furthermore, linking all tourism stakeholders in a common body – Cluster, will enable the creation of a common tourist product.

The development of tourism to a large extent depends on the skills, knowledge and competences of people taking part in tourism. For this purpose, there is a need for education and continuous upgrade of those involved in the field of tourism, as well as education and capacity development of the local population. Moreover, there is a need for education of tour guides, who will provide quality presentation of the cultural and natural heritage in the region, as well as quality implementation of mountain tours, cycling tours and similar tourist products.

This measure will be implemented by:

- Education of the newly employed
- Implementation of lifelong learning for the employed
- Exchange of experiences and good practices from abroad (for executive management)
- Education of the local population

Indicative activities
<ul style="list-style-type: none"> <li>• Projects on strengthening the role of the formal and informal education centres</li> <li>• Training of service providers in rural areas</li> <li>• Establishing training centres for informal education</li> <li>• Organising study trips abroad</li> </ul>

**Measure 5.2.2**

**Establishing tourism clusters**

In order to become an attractive tourist destination, the East Planning Region should create attractive tourist products. This can be achieved by joining of all direct and indirect tourism stakeholders in tourism clusters. This measure will be implemented by:

- Promotion of the benefits of clusters and other types of associations

Indicative activities
<ul style="list-style-type: none"> <li>• Establishment of a tourism cluster</li> <li>• Establishment of an organisational structure of the cluster</li> <li>• Organising regular meetings with the members of the cluster</li> <li>• Establishing a connection with travel agencies and the business sector</li> <li>• Promotion of the work of the cluster</li> <li>• Networking of all stakeholders</li> </ul>

**5.2.3 Introduction of a complex tourist record system**

In the East Planning Region there is no tourist record system. Therefore, such a system should be established in order to have an overview of the number and structure of visitors, as well as their needs, reasons for visiting the region, level of satisfaction from the visit, whether they would like to visit again, etc. This measure will be implemented by:

- Selecting methodologies and methods for keeping record of tourists
- Cooperation among the tourism business sector, municipal administration and professionals for establishing means and methods for research
- Linking the institutions which are collecting the data with all tourism stakeholders

Indicative activities
<ul style="list-style-type: none"> <li>• Introduction of a tourist record system</li> <li>• Processing and presentation of the data by the municipal sectors/departments for tourism</li> <li>• Preparation and dissemination of standardised questionnaires</li> </ul>

**Measure 5.2.4**

**Creating a climate for public-private partnership**

Public-private partnership is one of the most important methods for successful implementation of tourism projects, where there is a need for cooperation among different stakeholders in the region in order to harmonise the interests of the public and private sector. This measure will be implemented by:

- Information and training in applying for public-private partnership
- Promotion of the benefits of public-private partnerships

Indicative activities
<ul style="list-style-type: none"> <li>• Establishing procedures for public-private partnerships and concessions</li> <li>• Organising trainings for those interested in PPP</li> <li>• Concluding PPP contracts</li> <li>• Establishing joint bodies for management of attractions by the PPP model</li> </ul>

#### 4. Financing of the implementation of the Programme for Development of the East Planning Region

The implementation of the mid-term goals foreseen in the Programme for development of the East Planning Region is connected to considerable financial resources. As regional development financing sources in the Republic of Macedonia, the Law on Balanced Regional Development (Article 27) states the following sources:

- Budget of the Republic of Macedonia,
- Budgets of the units of local self-government,
- Available EU funds,
- Other international sources,
- Donations and sponsorships from physical persons and legal entities and
- Other funds regulated by law.

The Law on Balanced Regional Development defines the following instruments on stimulating regional development: capital investments; irretrievable grants; financing and co-financing of elaboration of analyses, studies, planning documents and action plans; financing of institutional capacity building for regional development of the Republic of Macedonia, as well as state aid in the form of loans under favourable conditions, loan guarantees, credit insurance, tax reliefs, subsidies and other instruments, as pursuant to law.

The foreseen measures in the Programme for Development of the East Planning Region will be implemented by using the available economic and financial mechanisms for support to regional development. The usage of these mechanisms should be in accordance with the following principles for maximum effect of the invested resources:

- Coordination of regional development instruments and resources and their optimal allocation with the aim of achieving the regional development goals.
- Efficiency and effectiveness of the instruments from the aspect of justifying the expenses connected to the goals, i.e. allocation of financial resources and projects which are expected to give maximum results for the invested resources. The system for distribution of resources for regional development support is based on this principle.

Financing and implementation of the Programme for Development of the East Planning Region is planned to be conducted by way of various sources. The main source of financing will be the Budget of the Republic of Macedonia through the support to projects with a regional development component which are planned in the separate programmes and sub-programmes of the line ministries, which are implemented in accordance with their regional development policies. In accordance with the fiscal strategy of the Republic of Macedonia for the period 2015-2017, as well as the projections of the Government of the Republic of Macedonia, a 4% growth of GDP is expected in 2014, 4.2% growth in 2015 and 4.5% in 2016.

Apart from the regional development financial resources which are implemented by the Ministry of Local Self-Government and the Bureau for Regional Development, the Budget of the Republic of Macedonia, within the frame of the budget of the line ministries, contains funds for support to projects having a regional development component intended for support to regional development.

The distribution of budget funds in line ministries intended for support to regional development is conducted in accordance with the Programmes of these institutions. The criterion for distribution of these funds in accordance with the development index was not implemented in the previous period.

Other possible sources of financing of the implementation of the Programme for Development of the East Planning Region are:

European Union programmes such as IPA, Horizon 2020, and traditional cooperation programmes etc.

The programmes of other international donors and organisations such as GIZ, SDC, USAID, UNDP, World Bank etc.

The Republic of Macedonia has concluded bilateral agreements for development cooperation with many countries and international organisations. The framework, budget and priorities of each programme are agreed on a bilateral level. The Programmes are financed from the budgets of donor countries. The budget and duration are determined by each country separately.