



Contracting Authority

< RECEPTIVE TOURISM DEVELOPMENT >

OF THE NORTH-WESTERN REGION OF
BOSNIA AND HERZEGOVINA AND OPENING
OF A REGIONAL CENTER IN BANJA LUKA

Grant Application Form

EC/BIH/CFP

Budget line(s) < >

Name of applicant:	NGO KRAJINA
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Dossier No	
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(for official use only)

I. THE ACTION

1. Description

1.1 Title: RECEPTIVE TOURISM DEVELOPMENT OF THE NORTH-WESTERN REGION OF BOSNIA WITH AND OPENING A REGIONAL CENTER IN BANJA LUKA

1.2 Location(s): BiH, NORTH-WESTERN BIH, BANJA LUKA

Country (ies), region(s), town(s)

1.3 Amount requested from <EU RED>

Total eligible cost of the action	Amount requested from <EU RED>	% of total cost of action

Where the financing in full of the action by <EU RED > is allowed by the Guidelines for Applicants, justify your request to benefit from such financing in full, by showing that it is essential to carry out the action.

1.4 Summary:

The north-western Bosnia has good natural conditions for the receptive tourism development. The region extends along rivers: Una, Sana, Vrbas and Bosna. It is a space between mountains of Central Bosnia and the Sava river. In this area there are 8 thermal (hot) springs which are ideal for development of resort tourism. There are water currents of Mountain Rivers and their tributaries which are rich in fish and a magnificent clear water. The mountains are rich in the flora and the fauna and ideal for the development of hunting tourism and ski sports. There are certain hotel capacities and spaces for camping. Unfortunately, even with all those comforts, the receptive tourism is very low developed. The main reason is a bad organised promotion and a system of visitor's reception. The offer is not united so it likes that does not exist. Only random visitors have chance to enjoy in luxurious prettiness of clear mountain rivers, thermal springs, landscapes and monuments. Through this project we would like to contribute to a removal of obstacles to the tourism development and an acceleration of the economic progress.

Maximum 10 lines (include information on (a) the aim of the action, (b) the target group(s) and (c) the main activities). Where applicable, clearly indicate the sector, theme, or geographical area specified in the call for proposals to which the proposed action would apply.

1.5 Objectives:

The region of the north-western Bosnia has ideal conditions for the tourism development and to receive and entertain thousands of tourists. Unfortunately it does not achieve it because its offer is not organised and presented in public in the way that could be attractive for the tourists.

The main aim of the project is to establish a system of mutual and synchronised activity of all participants which participate in offering tourist services in the tourist attractive locations. They have to not only attract visitors but also keep them to stay longer in these locations. Many tourist values simple stay unknown and economically not valorised only because the enterprises and some individuals which rule them have not organised an infrastructure through which they could inform and bring the tourists.

Up to now, the region have offered the tourist services to only those tourists which were in a transition from Central European and West countries to the Adriatic Sea and in reverse. However, the aim is to offer the tourists an opportunity and a chance to stay longer in the attractive locations of this area and to experience something new which they can not find not only in a coast ambient but also in their homelands.

Thus the aim is to improve and increase the tourist offer of this region to the level which are enabled through the available ideal natural conditions.

The region does not have its marketing and organisational preparation for a successfully transfer from the transitional system to the receptive tourism system. In order to remove this shortage is necessary that all relevant subjects of the tourist economy recognise their mutual interest and based on it unite their offer so they could achieve an effect of synergetic work of the tourist potentials of the region.

Through joining the tourist economy enterprises in an interest business association of the region will be possible to increase a number of the tourist's visits and the night spendings for approximately 40% in comparison with the current situation. For that percent should be increased incomes of the tourist services which will enable an additional employment and a modernisation of tourist destinations and its objects.

Through this project will be made an organisational scheme and the valorisation system of the region's tourist resources which will as a final result increase the incomes of each individual subject of the tourist economy, all of them together and the region in whole.

Maximum 1 page. Describe the overall objective(s) and the specific objective of the action.

1.6 Justification:

In principle the project is intended for all inhabitants in the region of the north-western Bosnia. This region includes a big surface between mountains of the Central Bosnia from the south and Sava river from the north. Inside of the region are river basins of Una river in the west, Sana and Vrbas rivers in the middle and Bosna river in the east. The region is rich in clean mountain waters, well-kept centennial forests, thermal springs, figurative rural settlements, natural and artificial lakes, swamps and worthy historical monuments. There are 25 municipalities which are very interested in the tourism development in their areas.

The rivers are rich in freshwater fish (the trout, the barbell), water attractions (waterfalls, artificial lakes and rapids) and wooden canyon landscapes.

The forests are rich in game as bears, wolves, foxes, venison, rabbits and forest birds.

Unique swamp "Bardaca" is a favourite residence and resting place of migratory birds. Rural settlements offer ideal chances for the development of so-called the rural tourism.

In some of thermal springs (Laktasi, Slatina, Mlječanica, Teslic, Kulasi) exist the objects of the resort tourism for resting and healing chronic illnesses which unfortunately as other attractive locations are not enough and irrationally used.

The reason for an insufficient use of the natural resources is its inadequate marketing presentation and organisational adaptation to the needs and demands of modern tourists and the tourist association.

There are a lot of hotels and other objects for reception and lodging of the tourists in the most of the tourist attractive locations of the region. However there are ski lifts and ski resorts on the mountains (Vlasic, Grmec, Kozara, Borja) which are very favourable for various kinds of the winter attractions and sojourns in the mountains like: skiing, sleigh riding and walking along a healthy mountainous terrain and the winter spirit of the centennial forests

However a some of the objects do not meet a modern standards of the tourist stay and those which met these standards use them partly and irrationally. The objects stay almost empty and periodically visited so do not achieve enough incomes for creating more attractive service prices to the tourists.

In this way the tourist economy of the region more and more coming to a vicious circle of the degradation. It has no ability to modernise itself because there are not enough incomes and visits. The visits are not realised because it cannot offer a level of services which is demanded by the tourists and an appropriate price which the tourists are ready to pay. Nevertheless, the most important weaknesses of the tourist economy of the region are its management and marketing. Any of enterprises are not in condition to offer "a package" of the tourist services because each of them is leaned to own tourist capacities and services in own repertoire. In these conditions curious tourists are leaved to own and in the most of the cases a random initiative.

It is obviously that in the region there are very favourable natural conditions for the development of the receptive tourism. However there is a lack of the strategy and the instruments for activation and economic valorisation of available natural resources.

The task of this project is to realise all key elements necessary to stop this negative trend and to turn it to a positive direction. The way of its realisation will be explained in details in the next section of this application but for now we emphasise that the missing factor will be established.

There will be realised, shown and analysed the development strategy elements and proposed instruments through which will be established an effective development of the receptive tourism in the region.

Thus the project will focus its activities to the management of the tourist economy of the region and its function in order to achieve the economic effects of the current natural potentials.

Through the establishment of an appropriate system of a constructive cooperation of local tourist service providers instead of a disloyal concurrency, according to an estimation of the experts, is possible to increase the incomes of the tourist service for approximately 40% and through developing lodging capacities of high categories for 20% to 30% in comparison with the current capacities.

In this way it could be modernised the infrastructure objects (lodging capacities, access roads, hotel equipment, communication system, etc.) which will contribute to a better influx of the tourists and further increase in the incomes. Related with that there is one important element which is the employment of a larger number of inhabitants all round of the region.

In the opposite if the negative trends of degradation of the region's disintegrated tourist economy continue it will cause an abolishment of many current working places.

A help from EC through financing this project will play a role of an accelerator of the tourist economy development because the tourist economy at moment is not able to finance the action proposed through this project so it cannot serve as the accelerator of the development.

Neither current tourist enterprises nor their local associations in the region are not materially equipped and do not have an appropriate cadre for signing arrangements with the world large tourist agencies about the visits of their tourist groups.

Taken individually, any of them is not in condition to completely satisfy all requirements of the modern tourists not only related with stay comfort, various contents, organisation of visits and transport to the local vacation areas but also related with a functional synchronisation with the tour operators (large tourist agencies and other tourist destinations in the encirclement).

However, there are collective capacities which could achieve that through a mutual, well-organised regional business centre.

This centre will operate as a strategic business unit of all tourist service providers in a form of an agency for market research, service strategic planning and strategic marketing of the tourist offer of the region as a totality.

In brief it means that the business centre should be equipped, trained and authorised to represent interests of the all and together with all members of the association improve and planning a volume and a structure of the tourist offer, negotiate with foreign emitters of the tourist groups, organise their reception, "local" disposition, and at the end send-off of the visitors to other destinations. In this way will be gradually created a specific image of the local tourist ambient and the tourist profile of the region.

It is expected that through an organised work of 8 to 10 high trained people in the mutual business centre this sector of the regional economy could open a couple of hundreds working places for offering the tourist services in hotels and restaurant, museums, vacation areas, souvenir shops, sport-recreation terrains and sanatoriums.

Except that there will be improved current the tourist economy objects and created a new objects and related with inhabitants in the region there will be made connections and higher degree of understanding of the people from a closest and a farther geographic encirclements.

1.7 Detailed description of activities;

The launching of the receptive tourism development in the North-western area of Bosnia requires a large number of activities because this kind of the tourist economy here does not have a long tradition.

Namely, this area is more known as the region from which the population were going to the Adriatic sea and other tourist places on excursions and summer vacations. In the most of the cases was not or just little was given an attention to the development of capacities through which could be attracted a better influx of the tourists. Because of that there is not enough information and data about neither the tourist potential of the region nor a practice of the tourist enterprises to be oriented to attraction and accepting the tourists from farther regions. All efforts were directed to satisfying the needs of the tourists in the transition, the lodging for visitors which came to the region for the business and the needs of periodical visitors from a nearest neighbourhood. Because of this reason will be necessary, immediately after organising the project team and a technical preparation for the work on the project, to do a detailed inventory of available tourist potentials. It should be made a list and a systematised analyse of all the tourist attractive potentials, their contents and their ranking in the system of an united tourist offer. Afterwards to make a survey of enterprises and individuals which deal and could deal with the tourist services and to analyse their role in the chain of the tourist economy. It means a collection of primary data from the field and secondary data from statistic and other publications, their systematisation and analyse. This activity could be done successfully through organising a large number of public appearance and information for the public so they could understand the aims of the project, realise advantages of an united appearance in the market of the tourist services and in order to obtain an agreement for activities which are planed in the program of the united dealing and a further tourist economy development of the region.

After making transparent list of the tourist potential of the region will be done an analyse of the advantages and shortage, opportunities and risks (SWOT analyse) for all important individual locations and a collective analyse of the tourism in the region on the whole.

This and previous group of activities include a lot of individual jobs of the project team and the additional staff engaged in collecting and systematisation of a large number of authentic data. It should be paid attention to the statistic of capacities and activities of the tourist economy in Bosnia and Herzegovina which is very short of information. Except that those poor information (related with the number of spending the nights in the hotels and available capacities in the hotels and the resorts) are mostly expired and imprecise.

Because of that during the collection of primary data, necessary for making this project will be contemporaneously made the bases for creation and improvement of the statistic system of this segment of the economy

After finishing activities of collecting and analytic processing of above given data will be created a transparent picture of available tourist capacities of the region. It will enable a making of the strategic development plan and based on that to get down to work on making of an action plan for an inclusion of all capacities in an united supply system and the tourist economy function of the north-western Bosnia

Making of the action plan include three groups of particular activities. The first is establishing an association of the tourist service providers and its mutual development business centre. including organisational normative documents making and their verification. The second group is defining mutual business aims, long lasting mutual development strategy and economic tools which will regulate mutual rights and obligations of mutual business dealings of legally independent but mutually economic joined members of the association.

The first group of activities includes making of the founding and registration documents of the regional association of the tourist economy and the documents through which will be established the business development centre of the association. These documents include:

- The decision about establishing the association which will have a status of non-governmental organisation,
- The Statute of the association which will regulate the rights and obligations of members joined in the association,
- The decision about establishing the mutual business development centre of the association,
- Regulations about the way of doing work, rights and obligations of the business development centre
- Documents and petitions in connection with the association's registration and its business-development centre

In addition, in this group of activities we include activities related with a convocation and organisation of the conference to establish the association and its business centre.

The second group of the documents is related with making various normative and criteria connected with surveying outputs and contribution of each the association's member to the achievement of the mutual business aims. In this group of the association's documents are included:

- Mutual business plan of the association,
- Regulations about an obligation schedule in the association,
- Catalogue, prospect and price list of the tourist services,
- Document about quality criteria of the tourist services,
- Instructions for keeping records and calculate on outputs of performing mutual tourist activities of two or more members of the association,
- Criteria and authority of the mutual business development centre to perform activities of the selling and conclude the tourist arrangement with the tour operators,
- Other normative and informative documents depend on arisen needs and the association's assembly decisions,

After organising the inaugural meeting of the association of the region's tourist economy there will be done activities of administrative nature which include:

- Selection and appointment of the director of the business development centre of the association,
- Procedure for obtaining administrative permissions for the association's work beginning,
- Procedure for registering the association at an authorised court,
- Registration at the tax administration and the Bureau of Statistics in order to open regulated files,
- Opening a bank account of the association in the business bank
- Opening a bank account of the association's business centre,
- Making and verification of the seal,
- Selection of equipment and providing offices of the business development centre with furniture and communication system (telephone, PC, etc)
- Selection and appointment of the key staff of the association's business development centre

The third group of activities is related with technical supply of the regional centre and reconstruction of the ski lift which was destroyed in the war, in order to give an adequate support to the development, employment, and favourable services for tourist agencies in the north-western BIH through this project .

A special group of activities will be consisted of the project promotion and its results and reports about the course of particular activities in the project realisation

Promoting activities will be realised through the briefing system for public media. In the start, the promoting activities will be used for announcing the public and in the first place will be companies and individuals which are in some way involved or might be involved in dealing with the tourist services.

The basic aim of the promotion activities is to win over agreement and co-operation of the relevant subjects to support intentions of the project and efforts of the project team in order to achieve them successfully.

The announcement is an obligation of the beneficiary not only to the donor but also to the public in the region and especially to the members of the tourist economy association.

Except that the reports will help to the promotion of the project so this is one more reason for including this activity in the project.

1.8 Methodology:

The main characteristics of the methodology which could be used in this project have characteristics of an action plan for improvement of the tourist economy of the region and development of the capacities for reception and stay of the tourist in this area.

In the project implementation will be included a majority of current enterprises and organisations which have a direct economic interest in the tourism branch and municipal authorities of all municipalities in the region. In this way will be assured a realisation and use of programmed project aims in practice.

Affirmed caterer-tourist enterprises will place their relevant data and own development programs at the project's team disposal. The municipal authorities will enable the project team to have insight into their archives and development programs of the economy in whole and in the same time the development of the tourism in their areas.

The project team will realise the project activities through a couple of successive and mutually restricted research phases and programming the receptive tourism development. In the first phase, after finishing technical preparations (the project team constitution and making an internal plan of tasks and activities) will be collected, selected and analysed primary data of available reserves of natural and built objects that are suitable for using in the tourism.

After that will be made transparent lists and material foundation charts of the action's launching which are directed to the receptive tourism development in the region.

Contemporaneously with making a survey of material preconditions will be critically discussed the management system of the tourism branch of the region and after that an argumentation and proposals of necessary steps to ensure the realisation of the project aims.

This kind of approach is necessary because in the project valorisation participate a very large number of the subjects. Namely the project proposals will be adopted and realised through the tourist enterprises which business interests could have a competitive relation with the interests of other enterprises of the same region or the other municipality. Because of that they will try to give very big priority to own in relation to mutual interests.

However, there appear partial interests of the municipal authorities that could have influence on decisions which favour own interests in relation to the mutual interest of all.

The coordination of these partial interests will be a hard and durable process because everybody must be convinced that through respecting mutual interests will be also improved their own interests. However through the project everybody must be convinced that they will have more benefits if they unite own forces and reach a compromise and in this way solve critical points of the project proposals. The argumentation for achieving united attitudes will be done through the method of SWOT analyse of many partial variants of the problem solution and also for the variant of a collective mutual access to the development.

Namely in this phase most of mentioned subjects is agreed that the current working system of the tourist economy is not good but there is no agreement about how the new one should look. Because of that everybody only accept that the better solution is an access to the solution through a detailed project consideration. The other things should be solved through the project.

Beside direct beneficiaries of the expected project results (tourist enterprises and municipal authorities) the other indirect subjects interested in that will also have an influence on directions of the project proposals and solutions. They are non-governmental organisations which are engaged in the environment protection, enterprises and individuals which work with the making and a sale of souvenirs, general trade branch companies and households which periodically rent out lodgings to visitors. They interests also should be taken into consideration even though they are on the margins of the tourist economy. After the coordination of the interests of these heterogeneous groups coming concrete tasks and activities for which should be used methods of an action nature.

The inaugural conference will be convoked and managed in such a way so that can solve two key groups of practical questions. The first is to officially adopt obligation documents of the association (the Statute and the decision about establishment a mutual business development agency). The second is to accept and verify the project proposals and recommendations. Experienced and high educated experts of the University in Banja Luka and large caterer-tourist enterprises, which are permanent collaborators of our NGO, will be appointed for doing the project and its implementation.

1.9 Duration and action plan:

The project's tasks and activities will last 12 months which means by 31 December .2007, on condition that all previous activities and agreements are finished by the end of 2006.

In view of the fact that making the project include a large number of tasks and activities, they are grouped in similar groups:

1. Preparation of the team and the promotion of the project. 30 days
 2. Collection, selection and analyse of information about the tourist capacities of the region - 90 days
 3. Making the program documents of the receptive tourism development in the region – 90 days
 4. Establishment of the association and making the association's inaugural documents- 60 days,
 5. Providing offices with furniture, equipment and cadre, and reconstruction of the ski lift – Kozara , 60 days
 6. Implementation of the project and the submission of the final reports, 30 days.
- Total 360 days, which means 12 month

- The duration of the action will be 12 months.

Note: The indicative action plan must not mention real dates, but must simply show "month 1", "month 2", etc. Applicants are recommended to leave a certain amount of slack in the timetable of their action plan as a precaution. The action plan should not include detailed descriptions of activities, but just their title (please ensure that these match the titles listed in section 1.7). Any months without activities must be included in the action plan and the duration of the action.

The action plan for the first year of implementation should be sufficiently detailed to give an overview of the preparation and implementation of each activity. The action plan for each of the following years (depending on the action's duration) may be more general and should only list the main activities foreseen for those years.¹ The action plan must be drawn up using the following format:

year 1													
Activity	Semester 1						Semester 2						Implementing body
	Month	2	3	4	5	6	7	8	9	10	11	12	
Activity No 1	XX												Beneficiary
Activity No 2		XX	XX	XX									Beneficiary
Activity No 3					XX	XX	XX						Beneficiary
Activity No 4								XX	XX				Beneficiary
Activity No 5										XX	XX		
Activity No 6												XX	Beneficiary

2. Expected results

2.1 Expected impact on target groups:

We expect the development and improvement of the receptive tourism activities in the region. For now this activity is chopped up into many enterprises and institutions which each of them independently on others and without mutual co-operation offer tourist services. These services are services for random visitors and passengers from European countries to the Adriatic Sea and in reverse.

¹ A more detailed action plan for each subsequent year will have to be submitted before receipt of new pre-financing payments, pursuant to Article 2(2) of the General Conditions of the grant contract (see Annex E).

They stay usually in hotels or camps sites in order to take a rest from long trip or to spend the night so the next day they could continue their travelling to the final destination.

However, the region has many tourist attractive locations; natural sights and monuments that stay unnoticed because nobody promotes and offers them to the tourists.

In the region work couple of tourist agencies but their predominant activities are to take the tourists from the region to desired destinations in the Adriatic Sea or somewhere else in the world. They almost do nothing to bring the tourists to the region, offer them lodging, and a visit to the tourist attractive locations of the region.

Through the project is expected a contribution to an economic valorisation of available tourist capacities and an improvement of the management which through its (not small) available tourist attractive locations of the region will be able to attract foreign the tour operators to bring a larger number of visitors to the region.

The tourism development will have a big influence on a total development of the region.

In the beginning will revitalise tourist capacities, which are now in the stagnation and devastation. In this way, a hundred jobs will be kept instead of being lost through closing the objects. Expect that many working places will be opened not only in mutual manager structure of the tourist economy but also in its further growth followed by an increase in incomes from the tourism.

Maximum 2 pages. Indicate how the action will improve:

- (a) the situation of target groups
- (b) the technical and management capacities of target groups or partners (where applicable)

2.2 Publications and other outputs:

The project will be promoted through couple of briefings for the public media. In these briefings will be published information about the project, its aims, donors and other indicators. Representatives of 25 municipalities of the region will participate in discussions about the project aims and realisation of the project's tasks so through which will help to the dissemination of the project information.

The final study of capacities and locations of the region's tourist offer will be published in the form of catalogue and prospects intended for the tourism promotion. In these publications will be emphasised a role of EC as donor and participants in the tourist offer from the region.

Maximum 1 page. Be specific and quantify outputs as much as possible.

2.3 Multiplier effects:

Experiences realised through making and function of this project will be able to use in other parts (regions) of Bosnia and Herzegovina and a some other countries of the south-eastern Europe. Many regions in these countries have similar conditions like this region in the north-western Bosnia. Of course these regions have specific conditions which will be taken into considerations.

The main aim of this project is through its help start a new development cycle of this economic sector in the region. So this project will serve as a powerful development accelerator which full effect will be felt after the project implementation and the start of regular working activities of new-established management structure in the region's tourism and concretisation and technical preparation of the offer.

Maximum 1 page. Describe the possibilities for replication and extension of the action outcomes.

2.4 Short- and long-term impact:

From the project is expected a long-term development influences, although a short term are not small. Already in the beginning of the project activities will be employed management and additional staff of the project team. Their salaries will have an effect on the economic theory known as the money multiplication effect. However a more important is long-term effect of the project. Through it in the mutual business development centre of the association will be permanently employed 8 to 10 high educated managers which will supply the tourist services. Through activation of the ski lift in Kozara – Banja Luka will be employed more than 20 new workers.

However, it is also an auxiliary effect of the project. The main effect will be realised through keeping a couple of hundreds current working places and almost the same number of new ones through enlargement of the tourist activities of the regional economy.

An estimate is that through activating natural capacities and tourist potentials of the region will increase incomes even in the first year after the implementation for 40% in relation to the current situation. Without additional investments, it will initiate the growth of inhabitants standard for approximately 5% in relation to the current level. In the case of Bosnia and Herzegovina it could be considered as a big accomplishment.

In an institutional sense is the most important that the citizens will get and make stronger their own consciousness of importance of protection and rational exploitation of the natural environment. The consciousness of opportunities and advantages of gathering efforts to help to themselves in the fight against the poverty will also increase. The association of the tourist economy will be owner of the capital invested in the project results, in other word, in a new-formed mutual business development centre, because each member of the association will participate in the centre's property.

In a political sense, the project will contribute to a stronger integration of B and H regions because the region is stretched across both entities of the country of Bosnia and Herzegovina.
