



# Mitrovica Agenda for Local Economic Development

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## **Agenda for Local Economic Development**

Mitrovica has many problems. A one-company town before the war, it is now de-industrialised and divided. It suffers very high unemployment, pollution, rural under-development, a small and inexperienced private sector, a young and relatively unskilled population, severely inadequate infrastructure and a complicated structure of administration.

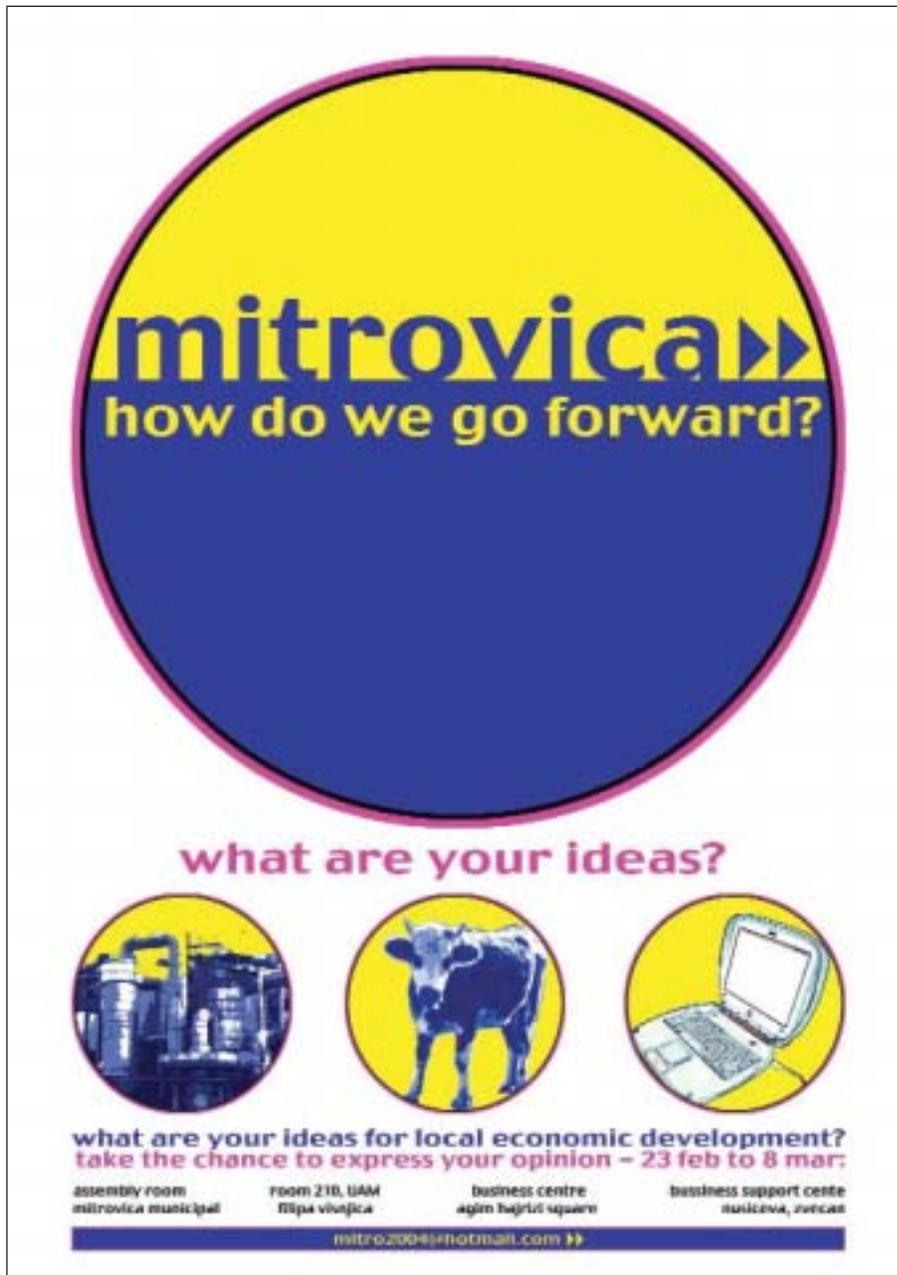
The central challenge is to find a new orientation for the town after the decline of the industry-based economy. This agenda proposes some steps to be taken that could start to turn the situation around. It outlines a vision for combining local action and creativity with backing from external actors to reverse the downward trajectory of the municipality.

## **Methodology**

This agenda has been put together based on the work of five municipal level working groups involving experts from both the north and the south of Mitrovica. After several months of work these groups presented their initial results to key members of the business community and to business associations in November 2003. The analysis and priorities that emerged in this discussion and in the working groups themselves have formed the basis of this Agenda for Local Economic Development.

The main conclusions and recommendations of the agenda were used to form part of an extensive public consultation in Mitrovica about local economic development. 3000 copies of a 14-page booklet describing the main recommendations of the agenda, and asking for feedback, were distributed in the municipality. People were invited to come to discuss their ideas in person, or to deliver their written comments, or to phone in with their suggestions. Comments were also invited by email. Meetings were convened with some of the key stakeholders; including local business leaders, and members of non-governmental and civil society organisations.

Posters were put up around the town, informing people about the initiative – with the slogan: “Mitrovica - How do we go forward? What are your ideas for local economic development?” Radio spots were also produced and aired on local radio, inviting people to get involved. A well-attended press conference was held to initiate the public consultation process, and a number of local radio and television discussions were held during the consultation period. These were used as a vehicle to describe the different priorities of the agenda to the population of Mitrovica, and to debate the main ideas in a public forum.



The launch of this agenda is just the beginning of a process of planning for local economic development. Flexibility to respond to new ideas and new opportunities will be an essential component in success. This agenda does not offer the final word on local economic development, but aims to start an iterative process by which priorities and ideas for development can be continually elaborated, debated and refined.

**The following questions were raised as part of the public consultation, to help provide a framework for debate about local economic development:**

- Ü Is it possible to restructure society in such a way as to promote the development of the economy?
- Ü Is it possible to create new manufacturing industry?
- Ü What could be done to improve the business environment?
- Ü What is the role of the municipality in promoting economic development?
- Ü How could the quality of urban life be improved in Mitrovica? For example the quality of the housing, and of public spaces? How will that help the development of the economy?
- Ü What are the needs for vocational training? What can be done about all the young people leaving school with no jobs?
- Ü Who should be responsible for creating economic development? Central government? The Municipality? People themselves?
- Ü What assets already exist in the municipality, like the university, that could be a way to make the town more attractive to outsiders?
- Ü How can Mitrovica encourage the growth of individual creativity and entrepreneurship?
- Ü How can we take advantage of the biggest cultural centre in Kosovo to make the town attractive and encourage the arts and culture?
- Ü What are the prospects for Trepca to re-open the mines and to create employment?
- Ü How can we take advantage of the regional location and specific environment that Mitrovica offers?
- Ü What kind of rural development is possible to strengthen the economy?
- Ü What kind of timeframe can we expect change to happen? What should we aim for?
- Ü Where can the money come from to make things start changing?



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## Economic Profile

### 1. Employment

The lack of accurate data about employment, or even about the demographic situation, is a serious obstacle to economic analysis throughout Kosovo.<sup>1</sup> Given a rough estimate that 13,000 people are employed in Mitrovica, and another rough estimate that there are 90,000 people living in the municipality,<sup>2</sup> the Mitrovica employment rate could be said to be in the region of 22%, which is far below the EU average of 64.2%. Only one out of five people of employable age (15 to 64 years old) is in work. The unemployment rate is estimated to be around 70%.<sup>3</sup>

Of the estimated 13,000 people employed, less than half – 5,529 – are registered in the private sector. 1,129 employees are recorded by the municipality as working for socially owned enterprises – most of whom are working for the currently unproductive Trepca mining and metallurgy conglomerate. 2,411 posts are funded through Mitrovica Municipality from the budget of Kosovo in the areas of health, education, and administration. An estimated 2,400 salaries in health and education in the municipality are financed from the budget of Serbia – as well as around 1,000 in administration.<sup>4</sup> The police, judiciary and security services provide around 750 jobs in the municipality. Over 650 people are estimated to be working for international organisations.<sup>5</sup>

None of these figures cited above can be taken as 100% accurate – although some are more reliable than others. Much of the data that is available from diverse sources is contradictory or incomplete - furthermore, these figures do not account for activities in the informal sector. This sector is significant in Mitrovica - but the scale of activity is hard to assess. These figures should then be considered as a broad indication of the level and nature of employment, rather than as definitive.



Despite the unreliability of the data, the overall picture is clear. The limited number of jobs on offer in the private sector, combined with the high number of unemployed persons, and the large number of young people entering the labour market each year point to a severe economic crisis in the region. This is compounded by the unpredictability of a sustained input from the four major sources of cash flow into the municipality – that is, the Kosovo Consolidated Budget, the Government of Serbia, the diaspora and international donor assistance.<sup>6</sup>

1) The last reliable census took place in Kosovo in 1981.

2) The estimate of 90,000 inhabitants of Mitrovica municipality is very rough. The number of people living in the municipality is uncertain and contested – with some estimates (for example the municipal estimate of 140,000 inhabitants) based on the pre-war census when the municipal boundaries were larger (including Zvečan / Zvečan and Zubin Potok). In 1999 UNHCIC estimated a figure of 83,500 – although the means for arriving at this figure is not specified. OSCE estimated the population to be 105,000 in 2003 (extrapolating from the voter registration lists). In 2004, the European Stability Initiative estimated 82,000 (extrapolating from the number of registered primary school children). We have arbitrarily chosen a figure between the latter two.

3) The employment and unemployment rates are calculated according to the methodology of the European Statistical Office. To arrive at a number of people of working age (66.1% of population), we have used estimates made by UNDP in 2002 about the population age distribution in the whole of Kosovo, based on statistical yearbooks of Kosovo and FRY dating back to 1971. [UNDP: Human Development Report: Kosovo 2002]. In November 2003 almost 21,000 persons were registered as unemployed in the south of the municipality. This number of registered unemployed is probably lower than the actual number, as there are few advantages (financial or otherwise) to being registered as unemployed at present. The data for north Mitrovica has not been disaggregated, however just over 10,000 people are registered as unemployed in the northern Kosovo municipalities.

## 2. Decline of Industry

Mitrovica was a one-company industrial town before the war. At its height in 1988, almost 23,000 people in the region worked in the Trepca complex. There were a range of activities that took place, and Trepca had a variety of assets in the broader region. As well as the mines and flotation, there was a battery factory in operation in Mitrovica, a lead smelter and zinc metallurgical works, and a chemical industry, as well as other non-core activities.



Although Trepca was the main employer in the area, the company itself was in serious debt, productivity had been declining in relation to the level of employment for some time, and the company had been making a loss since the early 1980s. In fact the company was heavily subsidised for many years from the fund for under-developed regions. These funds and other loans that the company was able to access were spent on immediate needs rather than on investment and maintenance needs.<sup>7</sup> The decline of Trepca took place in the context of the decline of heavy industry across Europe, and the closure of many mines during recent decades. De-industrialised towns across Europe have had to seek a different and diversified basis for economic development since the 1970s.

The prospects now for Trepca are uncertain. Considerable financial resources from the Kosovo Consolidated Budget have gone into social welfare payments for ex-Trepca workers. The management believes that there is some commercial potential in re-opening some mines and in reviving some metallurgical activities, and has outlined a vision for this in a document published in November 2003 called 'The Trepca Goal'. The projects are financially based on EAR and, since 2003, on KCB funds. This limited revival, however, will only be achieved through corporate restructuring. The legal status of the company and the debt incurred in the past both need to be addressed.



The environmental damage created by many decades of heavy industry will be very costly to repair. Trepca estimate that the cost of cleaning up the tailings area, the industrial waste, the draining of the mines and demolition will be about 100 million euros, depending on the future use of the sites. So far 8 million euros have been invested in these activities.<sup>8</sup> There will also be a need for an extensive social welfare programme for the former workers of Trepca. A study of the former and current Trepca labour force done by the International Organisation for Migration in 2002 showed that only 25% of workers were younger than 40 years, 42% were between the ages of 40 and 49, while the remaining 33% were over the age of 50.



4) The total number of public sector jobs is however less than the sum of those listed, as some posts in the north of the municipality receive salaries from both the Kosovo Consolidated Budget and the Budget of Serbia – elaborated by European Stability Initiative, [www.esiweb.org](http://www.esiweb.org).

5) Sources for this data are: Business Registration List (Nov 2003) Ministry of Trade and Industry; Mitrovica Municipality - Department of Economy and Finance; Trepca Management; Mitrovica 2004 Municipal Budget; European Stability Initiative research on Mitrovica in 2003; Spokesman of 4th Protection Zone – Kosovo Protection Corps; UNMIK Police Press Office; OSCE Municipal Profile, Oct 2003.

6) The European Stability Initiative presented an extensive analysis of incomes in Mitrovica as a background paper for a Wilton Park Conference in 2004. This is available at [www.esiweb.org](http://www.esiweb.org).

7) An extensive analysis of the history of Trepca is available, on which these paragraphs draw: TREPÇA, 1965-2000. A report to Lessons Learned and Analysis Unit of the EU Pillar of UNMIK, by Michael Palairet, University of Edinburgh U.K.

8) Figures taken from a presentation to the KTA by the Trepca Management, April 2003.

Apart from Trepca, there were relatively few socially owned enterprises in the manufacturing sector. The Betonjerka concrete factory has been privatised and may begin to operate in the future. Enterprises that have yet to be privatised or are in the process of privatisation include the Progres printing house, the IMB Bakery, the First May textile company, the Bajr / Bair tobacco factory, and the leather and gallantries factory in Bare village. According to municipal information, there are at present around 350 jobs in these enterprises. It is not clear that any of these enterprises will be viable following privatisation, or that such jobs that are at present maintained in some of these enterprises will continue to exist.

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- ▶▶ The only way to reactivate any parts of Trepca will be through both regional political cooperation and strong support from Pristina leadership and the Kosovo Trust Agency. At this stage investments are necessary even to establish what the potential could be for further mining. Whatever the future of different parts of the Trepca complex may be, it is unlikely to ever play the same role in the economy of Mitrovica as it has played to date. The socially owned production sector other than Trepca is very small; this means that the creation of a new production centre in Mitrovica can only come from new private enterprise.
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### 3. The new private sector

In November 2003 there were 2,535 registered private businesses in the municipality, with a total of 5,592 registered employees.

The biggest private employer, with 97 workers, is a construction company. Altogether only 13 private companies have 10 or more workers. 80% of companies have only 1 or 2 registered employees.

Section	Registered entities	%	Employees	%
Uncategorized	44	1.73	167	3.0
Agriculture	21	0.83	60	1.0
Mining and Quarrying	4	0.16	22	0.4
Manufacturing	237	9.42	655	11.8
Construction	163	6.42	853	15.4
Services	833	32.86	1.575	28.5
Trade	1.233	48.5	2.197	39.7
<b>Total</b>	<b>2.535</b>		<b>5.529</b>	

#### Trade

The private sector is heavily dominated by trade. 40% of all workers and nearly 50% of the enterprises are operating in this sector. It is characterised by small shops, which sell mostly imported goods. Although it is the biggest sector, it does not have the capacity to expand or to develop additional activities. Spaces and premises for wholesale and retail trade are limited, the market is overcrowded and agricultural products are sold on the street. Aside from the problem of space, the growth of the sector is also inhibited by poverty and by low levels of consumption.

As part of the overall need in the municipality to create more working spaces and free up industrial areas, there is a need to create space and storage facilities for retail and wholesale activities. There is also a need to make use of the facilities that already exist and that are unused, such as the Ibar market. This could be a centre for wholesale trade and has potential for expansion with vacant land behind. This could improve the position of Mitrovica as a regional centre for wholesale activities.



### Services

The current structure of the service sector adds little value to the economy. One third of the registered enterprises in this sector are small taxi companies. Restaurants and hotels do employ on average more people, but they are strongly dependent on the level of incomes and on the presence of the international community. In the sectors that demand higher skills and offer support and services to other enterprises, the number of companies and employees is very low. There are 12 law firms, 7 accountancies, 6 architectural / engineering firms, 3 insurance businesses and only 1 advertising company. These enterprises have for the moment no income base, because they need a developed economy in order to have clients for their services. However they provide services in the fields of marketing, finance and development planning that will be needed by the other enterprises in order to be able to grow. Assisting these enterprises in the provision of affordable support to the business community in Mitrovica could be one way to raise the knowledge base and encourage competitiveness.

There is also much potential in developing services for the university students in the town. At the moment there is very little economic activity specifically geared towards the university. The kinds of activities that could be developed by entrepreneurs include real estate management, recreation activities, copy shops, internet cafés and bookshops.

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- ▶▶ There is considerable potential for growth in this sector through the provision of services to university students in the town. There would also be value-added to the economy by providing support to enterprise-orientated services, which would in turn serve to improve the capacity of other enterprises and of the economy of Mitrovica. Knowledge, creativity and the space for new ideas to emerge can provide stimulation and focus for other economic activities.
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### Construction

Construction is actually with 5.5 workers per company the most labour intensive sector in the Mitrovica economy. Construction activities can create a lot of work, especially for less skilled persons, but they are very dependent on the economic cycle. In Kosovo, at the end of the reconstruction boom - which has been created through international donations and remittances from the diaspora - there are indications that construction activities are already decreasing.

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- ▶▶ At the end of the construction boom measures are necessary to explore new opportunities for this sector. Given the degradation of the existing housing stock, an orientation towards maintenance of the existing building stock is one possibility. This activity needs more advanced skills that will be in demand in all towns in Kosovo in the future. The question of where the considerable funds necessary should come from to address this need in the whole of Kosovo needs to be resolved. A linkage to vocational training could be one avenue to explore.
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## Production

Around 30% of the production sector is accounted for by activities such as saw-milling and metal joinery that are also more or less related to construction. Another 26% of activity in this sector is in food production - such as the manufacturing of bread and biscuits. It is therefore possible to conclude that the remaining real production sector - involving the manufacturing of industrial products - is actually negligible, with only around 350 workplaces.

In north Mitrovica in particular the research of the working group for small and medium enterprises has shown that the production sector is very small. Out of 22 production enterprises 15 are more or less craft-based businesses producing pastry and other foodstuffs. One is a socially owned enterprise, and two others are based in Zvečan / Zvečan. It is obvious that with the specific urban structure of the northern part of the town production activities are difficult to develop. Ways to alleviate this restriction may be through cooperation with Zvečan / Zvečan, and through a focus on service based activities.

Wood related production at 3% in Mitrovica is over-represented compared to the Kosovo average in 2002. This however demonstrates the lack of other production activities rather than reflecting the strength of local wood production. Measures to raise the quality and uniqueness of this kind of production should be undertaken. The Zhabar / Žabare area, where a lot of wood production companies are operating (and where a vocational training centre currently exists) could be the location for a project to raise capacity.

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Overall the production sector is highly underdeveloped in Mitrovica, and faces many problems, some of which are examined in more detail in subsequent sections – including the key question of space for production. Although some of these problems can be addressed at the local level, there is a very weak foundation for the development of a new production sector in Mitrovica as the old sector was dominated by Trepca and there was relatively little other production activity. The main potential for growth in this sector at the moment is in food and wood processing. Any major new developments will need investments and knowledge from outside; attracting external investments is a long-term aim for which the Ministry of Trade and Industry must bear the primary responsibility. At the local level there is a need to ensure that space and information about conditions is available.

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### **Agriculture**

The formal agriculture sector represents only 3% of employment. Most of the 21 registered enterprises are cattle farming companies, these employ 45 workers. Other than some poultry farming, the rest of the farming activities are at subsistence level.

It is notable that 26% of workers registered in the production sector are working in food-processing. However, at the same time, agriculture and also basic activities for food processing like dairies and grain mills are not very developed.

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- ▶▶ There is a need to analyse the relationship between agricultural production and the demands of the regional market. There is space for entrepreneurial activity in matching the production of food to market needs. At a later stage of development, the potential for expanding production to wider markets could be explored.
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### Key findings and recommendations of the working group for small and medium sized enterprises in Mitrovica:

The objective of the study was to systematise and analyse available information regarding the current conditions, problems, capacities, needs and potentials of the micro-enterprises established in Mitrovica, in order to identify business and employment opportunities.

#### The main results of the study were as follows:

- 57% of entrepreneurs initiated their business using their own resources, and 27% had access to credit.
- 53% of the entrepreneurs purchased their equipment and raw materials in other regions, suggesting additional operational difficulties.
- The level of education of the entrepreneurs is secondary school (70%). The main training needs are sales technique, computers and business training.
- The participation of women in the micro-enterprises is very low.
- A large number of firms are family based.
- There is limited use of equipment, which is also of a very low quality.
- The telephone is the main communication system. Faxes and E-mail are practically unused.
- Most of the micro-enterprises are in a “survival” stage;
- To the question “How does existing legislation influence their business”? 65% answered negatively, 25% positively and 10% answered that it had no impact.
- To the question “How do taxes influence their business”? 34% answered that the influence is not high, 56% said that the influence is high and 10% said that it had no influence.
- To the question “How does competition influence their business”? Everybody accepted real competition but complained about competition from the black market.
- To the question “What do they need to develop their business”? They answered: Credits with favorable conditions, equipment and working space.

#### Problems connected to the founding, operation and development of small and medium sized enterprises:

- **Infrastructure** (see page 34)
- **Market for equipment, raw material and other materials**  
Possibilities to acquire equipment, raw materials and other material necessary for work are limited on the local market, or the prices are too high. Transport expenses and the cost of purchasing from other regions increases the price of the final products.
- **Human resources** (see page 14)
- **Finance**  
Very few commercial banks are operating in Mitrovica and their credit conditions are not favorable (high levels of interest, limited amounts of credit, short term of loans).  
Despite such bad credit conditions people are forced to apply, because it is the only way to access finance.
- **Business space** (see page 36)
- **Legal regulations**  
The tax and customs policy is unfavorable for small and medium sized enterprises, and the work of customs and fiscal offices lack transparency. Some of the problems are connected with the registration of firms, and the inability to close them. Others include: retroactive tax collection (for two years back) plus interest for outstanding obligations; differing ways of calculating customs fees (different amounts for the same goods); the payment of double fees at administrative borders; and double payments of insurance for employees.



#### 4. Human Capital and Education

The presence of a large number of young people in Mitrovica is generally understood to be a positive indication of the prospects for future economic development. However, this is not necessarily the case – a rising population can prevent a growth in per-capita income- particularly if the young people do not have skills that will enable them to find jobs.

If the young people of Mitrovica are to become an important factor in economic development, then massive efforts to raise the education level are needed, as well as programmes aimed at creating a broader income base. Improvements in school education must have a top priority in improving the development prospects of the municipality.

##### Schools

In Mitrovica 37 schools in 26 locations provide primary education for over 13,500 students. Technical, economic and medical secondary schools operate in both parts of the town, as well as a gymnasium in both north and south. There are currently 6,801 students in secondary education.

The main problems that the education sector has to face are: limited space, a lack of equipment, and a lack of qualified teaching staff.

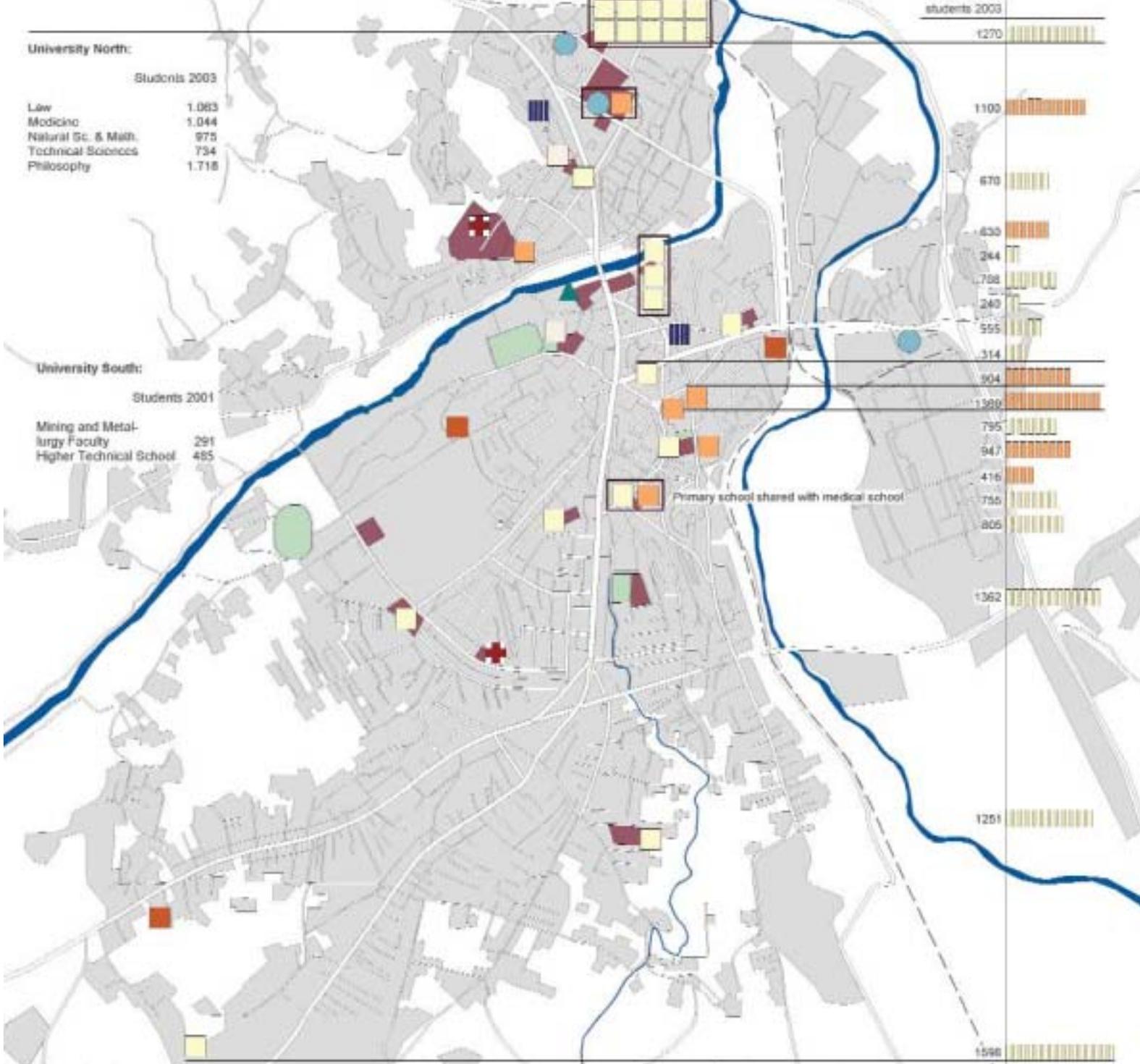
##### Limited space

The 20,301 pupils in the municipality are mostly taught in two shifts, in some schools in three shifts. In both parts of the town different schools have to share one premises. In some cases secondary schools and also faculties of the university are located in primary schools.

##### Equipment

In a survey conducted in 2003 by the City Wide Youth Council among students of secondary in schools in Mitrovica, over 53% complained that the schools don't have laboratories or that they are ill equipped. 37% noted the lack of libraries and the limited choice of books. There are also a very limited number of computers available for pupils to use in either the primary or secondary schools; and where this equipment does exist it is not connected to the internet – itself a vital tool for research, particularly in view of the lack of library resources. Investments in this area would need to be accompanied by training for teachers in maintenance of the equipment and in computer instruction.





**Urban development concept Mitrovica**  
**Inventory: Educational and public infrastructure**  
*Urban development concept Mitrovica*  
*Inventory: educational and public infrastructure*

- |  |  |  |   |
|--|--|--|---|
|  | kindergarten<br>Kindergarten                             |  | educational, cultural and social infrastructure sites |
|  | primary school<br>primary school                         |  | educational, cultural and social infrastructure sites |
|  | secondary school<br>secondary school                     |  | sport sites<br>sport sites                            |
|  | vocational training center<br>vocational training center |  | shared location<br>shared location                    |
|  | university<br>university                                 |  | hospital<br>hospital                                  |
|  | cultural center<br>cultural center                       |  |   |
|  | public library<br>public library                         |  |   |

Qualifications of the teaching staff<sup>10</sup>

School	Unqualified
Primary 1 - 4	5%
Primary 5 - 8	25%
Technical school	38%
Medical school	18%
Economic school	23%
Gymnasium	24%

After school unemployment<sup>11</sup>

Age group	Mitrovica	South	North	%
16 - 24	7.672	3.310	4.362	25%
25 - 39	15.665	10.730	4.935	50%
40 - 54	6.557	5.687	870	21%
55+	1.323	1.200	123	4%
<b>Total</b>	<b>31.217</b>	<b>20.927</b>	<b>10.290</b>	<b>100%</b>



10) This data is valid only for schools in the south of the municipality. Source: Education Department, south Mitrovica 2003.

11) The table in this and the subsequent section shows the data of the Regional Employment Agency in the south of Mitrovica, together with data that covers all of the northern municipalities in Kosovo. The data for north Mitrovica has not been disaggregated - although the age and qualification structure for this broader region can probably be considered as representative.

### Qualifications of job seekers

	North	South	TOTAL
Unqualified	9.447	2.826	12.273
Gymnasium	2.744	932	3.683
Economic Secondary School	2.453	1.403	3.856
Medical Secondary School	730	523	1.253
Technical Secondary School - Electrician	520	309	829
- Mineralogy	435	53	488
- Chemistry	395	92	487
- Machinery	275	217	495
- Geology	162	85	247
- Technology	157	74	231
Law Graduate	35	29	64
Economic Graduate	47	45	92
Further Education - Commercial (2yrs)	58	35	93
Further Education - Machinery (2yrs)	32	18	50

The highest number of qualified job seekers in Mitrovica attended the economic schools, despite the fact that data from south Mitrovica suggests that the economic school accepts fewer students each year than the gymnasium and the technical school. Whilst the gymnasium exists in order to provide students with a broad-based academic education; the economic and technical schools are intended to equip students with the skills that they need for working life. In order to do this in the future, they will need to better fit the skills that they teach with the needs of the labour market.

Young people in the current economic climate need skills that will equip them to work in the private sector – these will include entrepreneurial and business administration skills – the economic schools could be the best place for these to be taught. Computer literacy will become an increasingly important skill in the labour market, both domestically and internationally. Making sure that every school child in Mitrovica has access to a computer could be an important long-term investment into the development of human capital in the municipality. As well as making sure that there is a solid basic understanding of computers, it will be important to make sure that the environment exists for some young people to develop an advanced understanding of information technology, and to have access to internationally recognised certification of these skills.

### Vocational Training

There are some vocational training places available for young people in the area – including 50 places in Zhabar / Žabare and 50 in Doljane / Dolan. These schools provide training in carpentry, metal work, textiles, cookery and basic computer skills. The expansion of the school in Doljane / Dolan to include 16 places for training in business administration skills is underway at the moment.



Aside from these production schools there is an agricultural school, some small projects in the health sector, some certification for skilled construction workers, some basic computer training (which is heavily over subscribed) and some French language teaching.

- ▶▶ Although these training courses are valuable, they are inadequate to meet the demand for vocational training in the municipality. These activities can only be supplementary to overall efforts to ensure that the schools are providing young people with the skills that they need to become active members of the workforce. Vocational training activities should be linked into schools, to enhance the training offered in the schools themselves. One important asset in the municipality is the agricultural school run by AMG. Despite the valuable skills this school provides, it may be a useful element of longer-term regional development to move this school to a rural area, freeing up the land that it currently uses for urban development purposes.
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### **University**

The university is one of the major assets of the Mitrovica; it has the potential to give Mitrovica a regional profile, as well as to attract new talent to the town.

Faculties at the university in north Mitrovica include; Philosophy, Technical Sciences, Natural Science and Mathematics, Medicine and Law. There are also faculties in Zvečan / Zvečan, Zubin Potok and Leposavić / Leposavić; including Arts, Teacher Training, Physical Education and Sports, Economics and Agriculture.<sup>12</sup> In the south of Mitrovica there is also a faculty of Mining and Metallurgy, and a higher technical school, branches of the University of Pristina. Both of these are currently located in temporary premises. In 2001, 291 students were enrolled at Faculty for Mining and 485 at the Higher Technical School.<sup>13</sup>



### **Problems:**

The lack of equipment is one of the primary problems faced by the university. There is no university library, little technical and medical equipment and barely any internet access. However, material problems are not the only obstacle to improving standards at the university. The disparate location of the different faculties is also seen as problematic because it makes it impossible for interdepartmental and interdisciplinary studies to emerge – so, for example there is little opportunity for the communication or sharing of ideas between the economics and law faculties.

**Need for basic reforms:**

A long-term consultancy funded by the Austrian Government looking at the status and potential of the university in Mitrovica has elaborated a number of recommendations for future development.<sup>14</sup> Some of the major recommendations to improve the quality of the university include:

- The consolidation of the teaching structure into four or five faculties (in line with the reduced number of students and the regional labour market needs), and the adoption of the Bologna Declaration in curriculum to bring the structure of university teaching closer to the European higher education system.<sup>15</sup>
- A focus on areas with comparative advantage in Mitrovica through the establishment of some inter-disciplinary fields of research that could also be interesting for students beyond the immediate region. These could include, for example, questions of environmental degradation and of economic development in post-industrial areas, sociological and cultural aspects of ethnically divided regions, or legal structures in “modern protectorates”.
- Restructuring and reduction of university staff. There are many more staff members employed at the university than in universities of comparable size elsewhere, and many of the staff are also employed at other universities in the region. Around 70% of the staff do not live in the area. Measures to attract a young teaching staff that will encourage a culture of critical and creative study should be developed.

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There is a great deal of potential for the university in Mitrovica to become one of the main assets of the town in the future – even now the students and teaching staff represent a considerable part of the population. Links, partnerships and exchanges can be established with European universities, drawing on the particular circumstances in which the university operates in Mitrovica. The university is likely to be the main factor that will attract people from outside to the town, and there is a lot potential for the development of services around the university; in the areas of student accommodation, recreational and social activities, as well as in study-related services. In order for the university to become a serious institution of higher education, there needs to be a long-term perspective – and long-term planning for its development in Mitrovica. Issues of urban management will also be very important in the creation of an attractive environment for academic life – with cultural activities, adequate housing and an urban quality of life that will attract students to study in the town.

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12) The official number of students was reported in 2003 [Woeber] to be 8,595, although there appear to be far fewer than this.

13) Statistical Office of Kosovo, 2001, found on the website.

14) Georg Woeber, Status Report on the University of Mitrovica, Kosovo, February 2003. This section about the university draws heavily on this research, summarised in ESI research 2003.

15) The Bologna Declaration was signed by the Ministers of Education of 29 European countries on the occasion of the CRE/Confederation of EU Rectors' Conference, held in Bologna on June 18-19, 1999. It refers to three year bachelor and two year masters programmes. The full text can be found at [www.ntb.ch/SEFI/bolognadec.html](http://www.ntb.ch/SEFI/bolognadec.html).

## 5. Governance

Recent years have seen dramatic changes in the relationship between government and the economy. The local administration cannot replace the state planning system, and needs to find a new role in relation to the economy.

The role of the Municipality has to be in creating an 'enabling environment' for private businesses to flourish independently. Recent suggestions about setting up a municipal fund for business support would be one way in which this could be achieved. The Municipality can have a role in providing economy related infrastructure, in coordinating the different actors in the municipality, in making available land for the use of businesses and in reducing taxes and fees for businesses in the start up phase. The Municipality should see businesses not just as a means for raising revenue for the purposes of the Municipal administration, but as the motor for employment creation and long-term economic development. It will be important to ensure that municipal procedures are efficient and transparent, in order to build trust for the Municipality amongst the business community. It is important to note that the Municipality cannot act on behalf of the businesses; actions should be jointly organised with the private sector so that the administration does not take on the whole risk of different ventures.



With the special circumstances currently existing in Kosovo, there are investments and donations made from a number of different sources, and there are many alternative avenues by which decisions about investments are researched and made. The municipality should develop the capacity to coordinate these various actions according to defined development objectives.

<b>Municipal budget: 2004</b>		<b>3,313,555</b>
<b>Income:</b>		
	Government Grant:	2,320,325
	Municipal Revenue: Tariffs and Charges	802,946
	Property Taxes	149,405
<b>Expenditure:</b>		
	Salaries	984,346
	Goods and Services	1,060,473
	Capital Investment	1,268,736

This is the administrative and capital investment budget of the municipality, and does not include health and education and fire services which are functions of the central level that have been delegated to the municipalities.

The budget for 2004 shows how heavily dependent the municipality is on external capital, and how little revenue is raised locally. In fact the figures projected for capital investment depend for the most part on whether the projected taxes and revenues are collected. In order for local development to take place, the residents of Mitrovica will need to contribute to its regeneration by paying the property taxes and tariffs and charges. This, combined with regular and full payment by consumers to the utility service providers, is the only way that residents can expect the provision of adequate infrastructure.

The municipality has a responsibility to gradually introduce regulation into the economic sphere, to ensure that kiosks are licensed, and that only registered businesses are operating.

### Existing support structure for businesses

There are a number of organisations in Mitrovica that aim to support the private business community. In the south of the municipality training, support and advice is offered by the Regional Enterprise Agency as well as by the Business Centre; small rural credits are offered by ADIA (Association pour le Droit a l'Initiative Economique); and the Kosovo Women's Initiative offer small grants for multi-ethnic projects. In the north of the municipality (and in northern Kosovo more generally), the International Organization for Migration offers training, support, advice and credit to the business community. In both the northern and southern parts of the municipality Chambers of Commerce are in operation, and a number of different business and producers associations exist.



Business Centre south Mitrovica

At the moment the system for business support in the south of Mitrovica operates with overlapping competencies. There is a need for reorganisation – the Regional Enterprise Agency and the Business Centre should divide their responsibilities, to make sure that they complement each other's work. The Business Centre could be responsible for support to existing enterprises and for the provision of information to and about businesses in Mitrovica, whereas the Regional Enterprise Agency can operate at the regional level, working on enterprise development, creating projects, and offering and organising training opportunities.

The provision of credits to businesses in the town could be an additional activity for the Business Centre in the south of Mitrovica, complementing the work of the International Organisation for Migration in the north, and that of ADIA in rural areas. It would be worth considering the creation of a municipal development fund from which the money for these credits could be drawn.

There is a need to link up the existing support structures for businesses with other activities in the municipality aimed at development, for example the promotion of entrepreneurship amongst young people in schools. These institutions can orchestrate links between the business community and the schools, as well as providing training activities for young people.

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▶▶ The recruitment of local economic development coordinators at the municipal level would improve the systems for coordinating information about external investments and donations to the municipality, for monitoring implementation of the strategy, and for pushing the process of economic development forward. These staff members should have a direct line to the Mayor, the Chief Executive Officer and the UNMIK administration, as well as the flexibility to operate directly with all departments.

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## 6. Culture and Creativity

The south of Mitrovica is unusually well equipped with cultural and sporting facilities. It is the home of the largest cultural centre in Kosovo, two sports stadiums - as well as a sports hall large enough to host international events. The Trepca basketball team has a high profile in the town and in the region, even boasting five international players.

Apart from the sports hall that is used for major matches in Kosovo as a whole, the resources in the municipality are under-used. The stadiums have not been used for some years. The cultural centre also has seen very little activity in the last few years, aside from a film festival in 2003 and some limited theatre productions. There is a library in the south of the town, but it lacks adequate books.



The mobile.cultural.container project has made two visits of a month each time during 2002 and 2003, offering workshops to young people in such fields as radio, video and photography. There is an NGO producing a bi-lingual youth magazine. The summer of 2003 saw a 'bridge festival' that brought international music bands and DJs to play in the town, and a repeat of this is planned for the summer of 2004. However, regular live performances of music and DJs are limited to a very few bars in the town.

The north of Mitrovica has fewer built cultural and sporting facilities than the south, and at present the population of the north of the town rarely use the facilities that are available in the southern part of the town. There is a cultural centre in Zvečan /

Zvečan – three kilometres further north – which is currently being refurbished. Inhabitants of north Mitrovica do however have access to a library with a well-equipped computer laboratory. Aside from this there are practically no recreational activities for the inhabitants of the town, or for the large population of university students.

The lack of cultural activities and space for creative expression have an adverse effect on life in the town. Young people who want to access this kind of activity migrate to Pristina and to Belgrade - or further afield - and the town seems less attractive to outsiders and is perceived to be an undesirable place to live. Some further activities are planned for young people, including a youth centre which will offer courses in artistic skills, as well as a pop music school. However, a lot more needs to be done to take advantage of the potential in the town, and to foster the creativity and individuality needed to make the town a vibrant place to live.



### Urban Life

There are many other features of urban life in Mitrovica that detract from the quality of life of the inhabitants. The lack of a constant supply of water and electricity is one factor. Although part of this problem is down to the question of inadequate infrastructure, another part of the problem is the way in which these resources are used at the local level, with water being wasted and electricity bills being left unpaid.

Other negative factors are the lack of parking spaces in the town (meaning that the pavements are always full of cars and pedestrians need to walk on the road), the illegal kiosks, the decaying facades of the apartment blocks, and the rubbish that litters the streets of the town.



Mitrovica is well known for being a heavily polluted town, and contamination of the soil, air and water has a negative impact on the health of citizens of the municipality. The World Health Organisation are in the process of conducting a Community Health Risk Assessment in which they will try to identify the most common pathways to exposure in Mitrovica. Significant investments will be necessary to address the negative impact on community health created by several decades of environmental damage.



An attractive town that offers a good quality of life is one that will encourage economic activity; people will be more interested in starting their business there, and in coming there to spend money. On the one hand, such a town is more interesting for people coming from outside, bringing new ideas and looking at investment potentials; on the other hand an increase in the standard of living of those already living in the city discourages them from leaving. Of course this cannot replace the main factors in economic development, like infrastructure, space, a skilled workforce and so on. But a vibrant urban and cultural life is an important factor – especially if the university is to play a role in changing the economic structure and the town is to become a centre for services.

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- ▶▶ It is important to promote the image of Mitrovica in the region, and to reverse the actual perception of the town as having many negative characteristics. An image of division, decline and degradation should be replaced by one of culture, creativity and challenge. This should be done by using the assets that Mitrovica has, especially in culture and sport, and by improving municipal services. A new perception of Mitrovica as a town can be encouraged by promoting the Agenda for Local Economic Development as a means of addressing the many problems that the town has. Mitrovica has temporarily attracted international attention because of its problems. Citizens can use the opportunity to promote their city as an example of a town whose downward trajectory can be reversed by local activity combined with appropriate external support. For real improvements to happen in the quality of urban life in Mitrovica, a way needs to be found to encourage citizens to take personal responsibility for their environment, and to take pride in the appearance of their town.
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## Spatial and Urban Structure

### 1. Regional Location

Mitrovica municipality is in the north of Kosovo, situated at the northern end of the central Kosovo valley and flanked by the Bajgorë / Bajgora mountains. Mitrovica is located 45km north of Pristina. The town itself is situated in a wide open plain at the confluence of the rivers Sitnica and Ibar.

The advantage of the demographic and geographic profile of Mitrovica is that it is well positioned to provide a trading interface between north and south. A railway line between Belgrade and Pristina runs through Mitrovica, on to Skopje, and down to the Mediterranean Sea and Thessaloniki.



However, neither the roads nor the rail system are in a very good condition. The single-track railway line provides only a limited service and works to a minimum standard, meaning that the travel time from Mitrovica to Belgrade is around 10 hours. The roads are not fully developed and provide one lane in each direction. Due to the topography the roads to the north allow no fast connections. The travel time to Belgrade (290 km) is about five hours and to Podgorica (260 km) around four hours. Even if the town were well connected in a narrower regional context, it is far off the most important international traffic routes. To reach the nearest European cities like Vienna, Budapest, Istanbul or Athens within a reasonable space of time it is definitely recommendable to book a flight. The proximity of Pristina airport, which can be reached in an hour, is an advantage in this context. The EU seeks to promote eastern European integration through extension of pan-European traffic corridors. From the perspective of development in Kosovo and Mitrovica, corridors VIII and X are relevant, as shown on the map on page 25. There is an ongoing discussion about the construction of a motorway Nis-Pristina-Skopje that would better link the whole of Kosovo to the international traffic network, but that would bypass Mitrovica.

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▶▶ If the city wants to find a way to take full advantage of its regional location, attention should be directed to the railroad. If, in the future, anything were to be exported from Mitrovica to western Europe, this would be a distinct advantage.

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## 2. Rural Areas

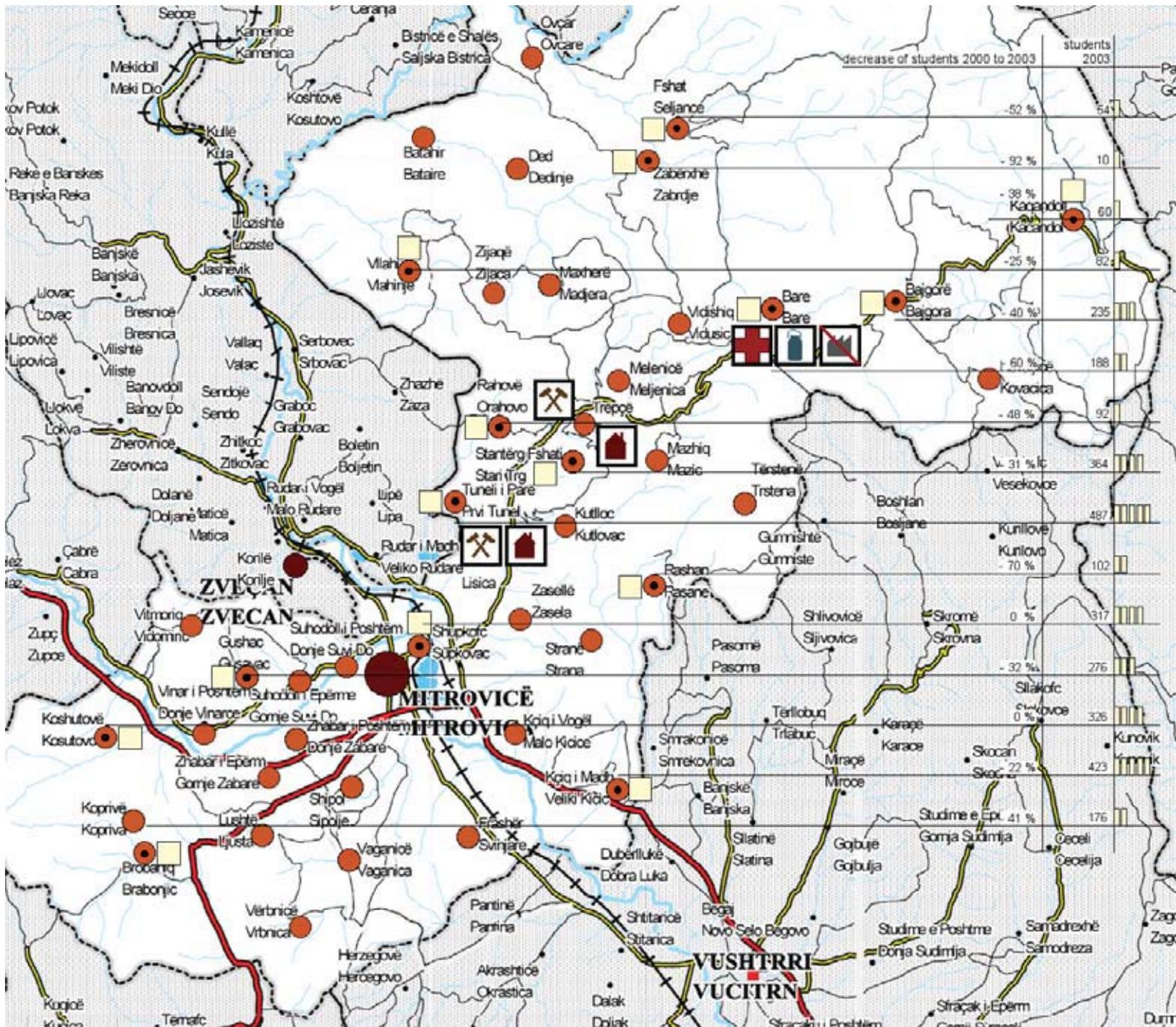
The municipality of Mitrovica comprises the town, together with its suburban areas (Shipol / Šipolje and Zhabar / Žabare) where around 70% or 80% of the population live,<sup>16</sup> as well as another 37 village settlements.

The rural areas can be separated into four different regions.

- The Shala region in the northeast, a mountainous area with only small village settlements, where the main economic activity is subsistence level farming.
- The mining area around Trepçë / Trepča and Tunel i Parë / Prvi Tunel, where the mine was founded in 1930. In these two settlements development was dominated by mining activities and some larger residential areas were established for the mineworkers.
- The flatlands along the rivers and main roads to the south and west - with the village settlements Kqiq i Madh / Veliki Kičić, Shupkovc / Šupkovac and Koshtovë / Košutovo. They obviously profit from their location close to the town and along the main roads, and could be described as suburban settlements (with a higher emphasis on private housing) although the main activity is still farming.
- The rural areas in the north and the south of the municipality dominated by village settlements and farming activities - also at subsistence level.



<sup>16</sup>) The first estimate is based on IMG data from 1999, and the second based on the distribution of pupils in primary schools.



Urban development concept Mitrovica  
 Rural areas  
 Urban development concept Mitrovica  
 Rural areas

	village settlement village settlement		closed light industry closed light industry
	school (primary) school (primary)		housing settlement housing settlement
	municipal boundary municipal boundary		mining mining
	asphalted streets (first/second category) asphalted streets (first/second category)		food processing food processing
	non asphalted streets non asphalted streets		ambulatory ambulatory

### **Preliminary results of the Rural Household Survey**

Aside from the abovementioned mining activities around Trepca and the villages along the main road, rural areas in Mitrovica are dominated by subsistence farming. The first results of the ongoing household survey carried out by the Departments for Agriculture in north and south Mitrovica give a preliminary indication of the situation in these basically rural villages. Data about the demographic and social structure, and the rural economy (including current agricultural activities and projected future needs) is now available for 14 villages, most of them in the Shala region. The average household size in these villages is eight persons. 40% of the inhabitants in these 14 villages are under 18 years of age.

The results show that only 12% of people of working age (between 18 and 64) are employed, and that 11% get social assistance - including pensions. For 77% of inhabitants of working age, the working of small parcels averaging 2.8 hectares is the key basis for making a living. A total of 210 persons in these 14 villages have some income from employment, social assistance and pensions. This income of between 35 and 130 euros is the only regular income source, aside from subsistence farming. Theoretically around 25 % of the 264 families counted have no additional income. There is no data available about other income sources – such as remittances sent from family members abroad, or income from the sale of agricultural products, but the overall picture shows a very weak economic structure.



In today's EU, three-quarters of all farmers are part-time farmers who depend on supplementary sources of income.<sup>17</sup> In the rural areas of Mitrovica the situation is just the opposite. Subsistence agriculture is the central pillar of the economy. This does not even qualify as part-time farming as the parcels are used almost exclusively for production for personal use. Where surplus quantities are generated, they go no further than local markets. The residents of the villages Trepçë / Trepča and Tuneli i Parë / Prvi Tunel do not even have their own land to cultivate because they live in apartment blocks.

The basis for economic development in the rural areas is very weak. Infrastructure is one essential precondition for economic activity, and it is important to note that only the main roads in rural areas are asphalted. These roads serve approximately ten villages. Another four villages are near to a road and can profit from this, while 23 villages are not properly connected to the main traffic network. None of the villages, except Trepçë / Trepča and Tuneli i Parë / Prvi Tunel, have an adequate water distribution system. Surveys and analyses by the Regional Institution of Public Health have shown that 90% of the drinking water in the villages does not meet the criteria for safe use as drinking water.<sup>18</sup> The sewage is organised by individual households, and in many cases the black water infects the water wells. Electricity is available in all parts of the region but villages also suffer power cuts.



In former times the Trepca mines and a leather factory in Bare, which employed around 60 workers, provided additional employment to the farming sector. Today only 13 enterprises are registered in all the village settlements of Mitrovica;<sup>19</sup> most of them are shops, transport agencies and taxi drivers. There are in fact more shops

in every village than those registered, but still no substantive economic activity. Food processing plays a limited role. There is one dairy in Bare, one in Mitrovica, one in Zvečan / Zvečan<sup>20</sup>, and a chicken farm. The dairies lack management capacity, and are not fully functioning. Collection facilities are underdeveloped, meaning that there is a weak link between the dairies and the producers.

These bad conditions are obviously the reason for the massive migration from the villages. All schools in the village settlements have seen a reduction in the number of pupils in the last three years especially in Zabërgjë / Zabrđe (-92 %) Rashan / Rašane (-70%), Bare / Bare (-60%); Selac / Seljance (-52%), Rahovë / Orahovo (-48 %) Broboniq / Braboniçe (-41%) Bajgorë / Bajgora (-40%).<sup>21</sup> This indicates an overall population decline in these, the most peripheral villages. A reduction in the number of pupils can also be observed in the villages closer to the town. Overall in the villages there appears to have been a decline of around 30 % in the last three years and of 10 % in the last year.

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The final results of the ongoing Rural Household Survey are expected by April/May 2004, and should be used as basic data for rural development initiatives. The question of rural development needs to be dealt with separately, with a comprehensive analysis that can only be initiated by this strategy.

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17) EU Commission: Guidelines on structural fund programmes 2000 - 2006

18) Municipal Budget 2004, pg 17. In terms of projects, the rehabilitation of the system in the following areas have the highest priority: Vërnice / Vrnica, Broboniq / Braboniçe, Mazhiq / Mažice, Kodër / Zaselò, Bajgorë / Bajgora, Selac / Seljance, Vllahi / Vlahinje ; Melenicë / Meljenice, and Magjerë / Madjera, the completion of the water supply project in Kqiq i Madh / Veliki Kičić and connection of Broboniq / Braboniçe, Gushavc / Gušavac and Vinarc / Vinarce with the central/regional water supply network. See list in Municipality programme.

19) Business registration data, November 2003.

20) These dairies lack management capacity, and are not fully functional.

21) Source IMG 2000, Dept Education 2003

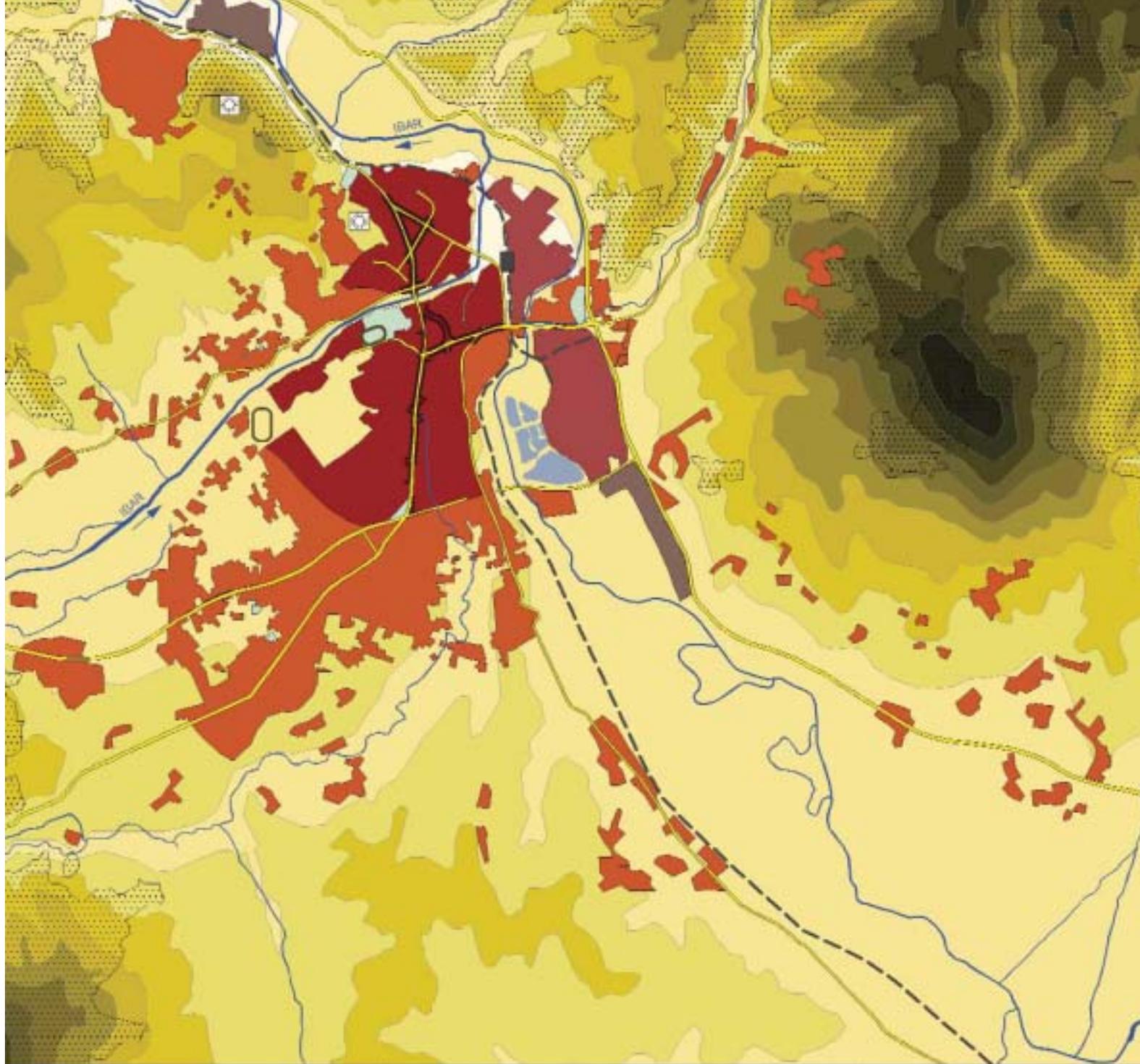
### 3. Urban Development

The development of Mitrovica has been closely linked with the development of the mining industry “Trepca” over the last seven decades. The industrialisation of the region started in 1930 with the opening of the mines in Stan Tërg / Stari Trg up in the mountains, and the lead smelter in Zvečan / Zvečan three kilometres north of the town. After the Second World War the growth of the town was more and more determined by the development of the mining complex. In the north of the town the construction of apartment buildings for miners had already started by the early 1940s. From 1948 to 1960, in only twelve years, the number of inhabitants doubled from 13,900 to 26,100. With the establishment of a fertilizer plant (1964), zinc production (1967), and a battery factory (1974) in Mitrovica, the town itself became industrialised. The population in the town doubled again and reached by 1981 the number of 52,900 inhabitants – together with another 35,000 inhabitants in the surrounding villages. If we accept that the figure of 57,000 inhabitants in 1999 is reliable, the town has grown by 410% in 50 years.

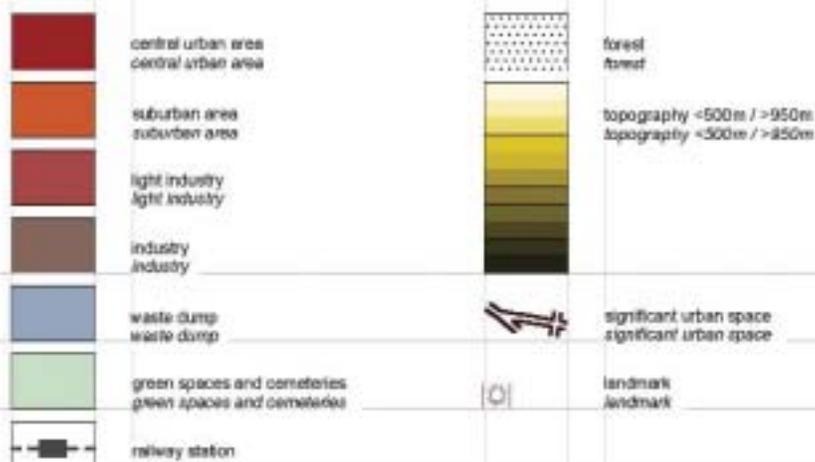
The urban structure of Mitrovica is characterised by three areas, reflecting the development trajectories of the last five decades.

- The inner city area either side of the main bridge - dominated by high-density housing estates and some one family house areas. The central functions and public spaces of the town planned in the Yugoslav period have been superimposed over the historic neighbourhoods of the 19th and early 20th centuries. The town is characterised by unfinished apartment blocks and the unregulated construction of new houses, neglecting every rule of spacing between buildings. A highly degraded urban fabric is evident, with much housing in need of rehabilitation and a heavy encroachment of the public space by kiosks and parked cars.
- The suburban areas in the southwest and west along the main regional roads and around former villages - characterised by more or less informal settlement activities. Since June 1999, 1,280 houses have been built in the south of Mitrovica without building permission<sup>22</sup> - but informal development appears to have had a significant impact on urban development even earlier. Between 1967 and 1972, around 700 residential buildings and 400 garages were built without permission along the road to Peja / Peć (Ilirida / Tamnik).<sup>23</sup> The consequence of this kind of informal development is very weak or non-existent infrastructure - mostly constructed by the people themselves using material placed at their disposal by the municipality. Another consequence is the absence of sufficient space for public and social infrastructure, as well as the absence of traffic regulation.
- Industrial sites in the east of the town that extend along the railway and the Sitnica river. The industrial sites are divided in two areas. Firstly the area by the railroad (which has linked Mitrovica and Skopje since 1875). This area consists mostly of warehouses and buildings for light production. Secondly the industrial complex east of the Sitnica river, which has existed since the 1960s, with different industrial plants such as the battery factory and fertilizer factory. Today the industrial plants are closed, but they have left a legacy of heavy environmental degradation.





**Urban development concept Mitrovica**  
**Spatial and urban structure**  
*Urban development concept Mitrovica*  
*Spatial and urban structure*



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The need for a comprehensive approach

▶▶ Local economic development does not only depend on adequate support for enterprises and the stimulation of private entrepreneurship. It is closely linked to the capacity of the municipality; in assuring efficient urban development, in providing a stable framework for private business, in promoting quality of public space, and in improving the daily living conditions of citizens. Therefore this development agenda focuses also on urban development and urban management. The main problems to deal with in this area are:

- The current lack of regulation of urban development.
  - The degradation of large housing estates and living areas.
  - Physically weak infrastructure in the urban area.
  - Lack of infrastructure (or insufficient infrastructure) in suburban areas.
  - Lack of available space for economic activities (affecting trade, production and services).
  - Environmental pollution and the need to restructure old industrial sites.
  - The lack of regulation of trade activities, especially markets and kiosks.
  - Degradation of public spaces and green areas.
- 

A number of urban development guidelines and suggested areas for focus are elaborated at the end of the section on spatial and urban structure.

### **Housing**

The housing fund of Mitrovica town has increased in line with population growth from 4,672 housing units 1961 to 8,463 units in 1971 and 11,328 in 1989.<sup>24</sup> Only 29 % of the housing fund in 1971 was socially owned, mostly apartments in residential blocks with up to eleven storeys. The total number of housing units that exist today is not known and cannot be estimated. For today's housing policy two issues are crucial: Is there a need for additional housing, and what are the future needs for maintaining the existing housing stock?

The need for additional housing depends on the two factors of population growth and the growth of living space per capita. For both of these indicators the actual data in Mitrovica is unreliable. Future pressure on the housing market could be created without an increase in the current population in two ways in Mitrovica. The first factor could be the large number of inhabitants in the age group from 14 to 30. This is now the largest population group, and they tend to create their own household – thus creating demand for apartments. The second factor is the question of living space per capita; this was around 13m<sup>2</sup> in 1989 in Mitrovica but is likely, as in other transition countries, to increase. For either of these factors to actually produce a demand for more housing however, they need to be accompanied by an overall increase in incomes.



22) Source: Department of Inspection, Mitrovica Municipality 2004.

23) Source: Qasim Lleshi "Populacijski i teritorijalni rast grada: Primeri kosovskih centara" (Population and territorial growth of a town: Examples of Kosovo's centres) Discussion paper at 1st Yugoslav symposium on population, Ohrid, 1973. Cited in ESI research, 2003.

24) Statistical Office FRY 1989

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Our analysis would suggest that the demand for new housing units is likely to decline. Therefore public investment in housing or in the provision of cheap land and infrastructure would only serve to stimulate a non-existing demand (aside from social housing needs), and would simply represent a windfall gain for those who would profit from the public investment. Resources should be directed instead towards economy related activities in order to create jobs and increase competitiveness.

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### Maintaining the Housing Stock

There are approximately 2,840 former socially owned apartments in the north of Mitrovica, and around 700 in the south of the town.<sup>25</sup> These 3,500 apartments were built in the 1960s and 70s, and have largely been left without maintenance since then. The facades in particular of the majority of the apartment buildings need maintenance. The falling plaster is not only a danger to pedestrians, but dampness in the walls causes structural damage to the buildings. Other rehabilitation needs include roofs, heating systems and electrical systems, including lifts. In the north of the town 54 buildings are in need of repairs to the facades, and 11 buildings need re-roofing. In the south of the town the buildings along the main pedestrian street, also built several decades ago, are in urgent need of rehabilitation.

However, rehabilitation needs are not limited to the structures themselves. The areas surrounding these apartment blocks are also often in a very bad condition. They cannot be used by children or other inhabitants for recreational purposes, and no efficient parking regulation is apparent.

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The costs for the rehabilitation of the existing large housing estates will exceed the capacity of the Municipality. The Municipality should also not be seen as the only body responsible. The inhabitants, who use the apartments as their own property, must themselves play a central role in the rehabilitation process. At the same time the residents will not be able to resolve the problem on their own either. Private initiative has to be linked to public assistance in order to address this problem. The rehabilitation of the existing housing stock is crucial for the municipality in that it affects living conditions and the image of the town. If the university or a new service industry is to play a role in future economic development, effective measures to maintain the existing housing stock will have to be established.

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25) A survey of the number of apartments in the north of Mitrovica was carried out during 2003. The number of apartments in the south has been estimated based on an assumption that one third of the housing fund was previously socially owned. The housing fund was around 11,300 in 1989.

#### **4. Infrastructure**

The condition (or even the existence) of technical infrastructure in different areas corresponds to the overall development of the town over the past decades. As shown on the map the central area of the town which was built according to a planned process is quite well serviced with basic infrastructure. The industrial areas in the east have a separate infrastructure network. Few of the informal settlements or villages in the south and west of the municipality are connected to the sewage system, and only the regional roads are paved. In addition, parts of the urban area (mainly old settlements such as the historic quarter Qendra / Centar in the centre of the town, as well as Bajr / Bair in the east, and the Roma Mahala in the west) are less well serviced, and need to be better connected to infrastructure networks.

The main infrastructure problems and needs are:

##### **Electricity**

The municipal power network is (following the rehabilitation of some transformer stations) efficient and capable of covering the needs of the town. The problem of constant power cuts is due to the limited capacity of the central power plant in Obiliq / Obilić.

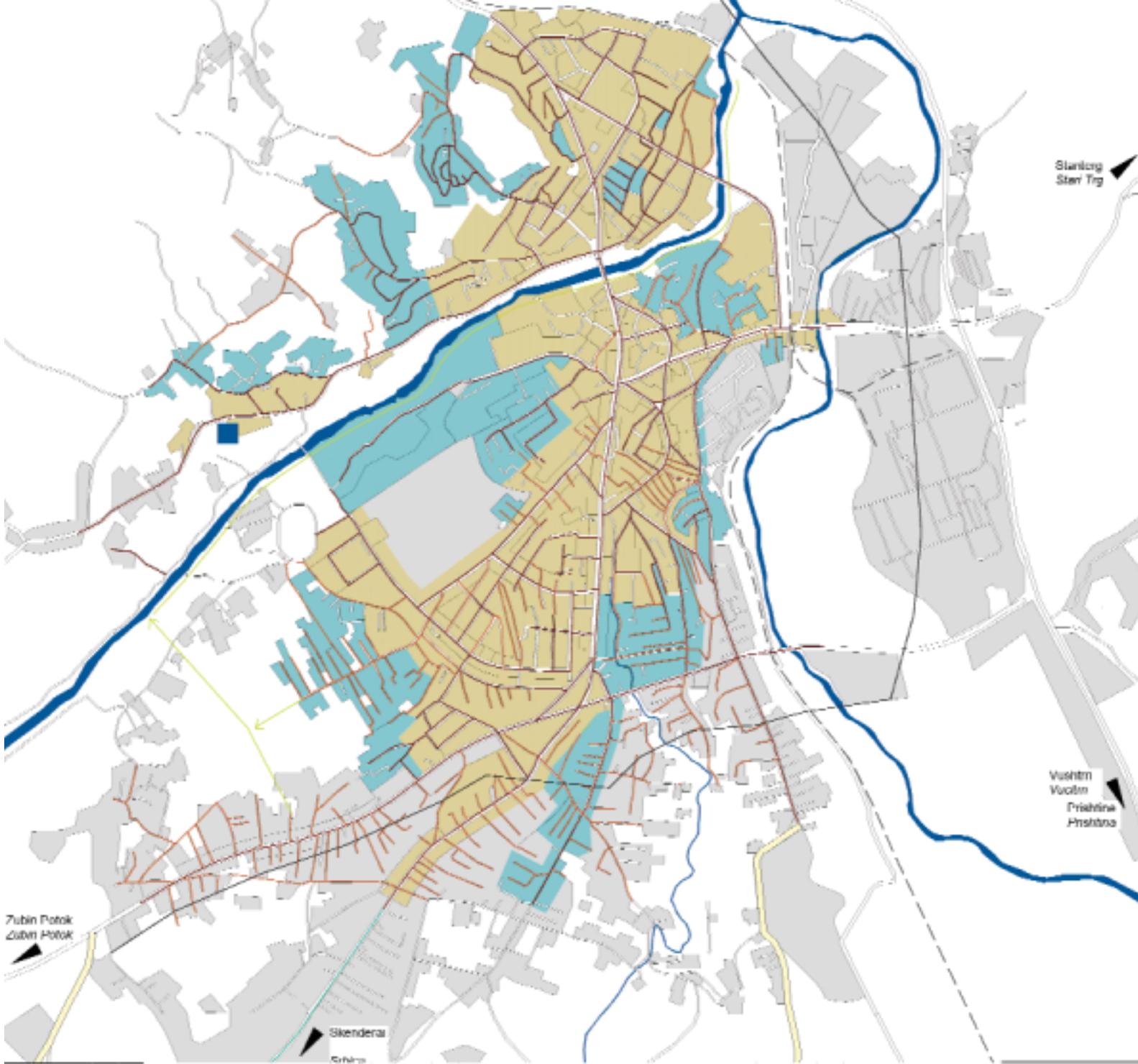
##### **Water**

The water supply in the town is insufficient. There are two main reasons for the water shortage. Firstly, the water plant has to serve a broader region than was initially planned, and secondly, considerable water is lost in the network. Losses in the network include problems due to old pipes, or systems constructed by the inhabitants themselves – but are also due to wastage of water. Ongoing works for the rehabilitation of the water supply network in central areas of Mitrovica will reduce the amount of water loss. The rehabilitation works will need to be accompanied by a campaign to reduce the loss through more economic practices by both the water providers and consumers.

##### **Sewage**

A sewage network exists only in the inner city area, and the wider area is covered by the atmospheric system. The maintenance of the existing system and its extension to suburban and non-serviced areas is important in order to raise the standard of living, and to reduce environmental damage. The construction of a sewage collector in the Shipol / Šipolje road down in the south has opened the possibility for a broader coverage of this area. There is no sewage treatment plant in the municipality, thus the raw sewage is discharged directly into the river Ibar. The resolution of this key problem requires a long-term strategy. An analysis of the current situation conducted by a consultancy company revealed that a total investment of 38.4 million Euros is needed for the extension and rehabilitation of the sanitation system; including the construction of a water treatment plant for around 6.5 million euros.<sup>26</sup>

26) Source: Reinhart Weninger, ILF Consulting Engineers, Mitrovica Field Office 2004



**Urban development concept Mitrovica**  
**Inventory: Technical infrastructure and streets**  
**Urban development concept Mitrovica**  
**Inventory: Technical infrastructure and streets**

	serviced sites with sewage and atmospheric system serviced sites with sewage and atmospheric system		asphalted street asphalted street
	serviced sites only with atmospheric system serviced sites only with atmospheric system		not asphalted street not asphalted street
	waterworks waterworks		industrial waterline industrial waterline
			new sewage system new sewage system
			planned sewage system planned sewage system
			planned bypass street planned bypass street

### **District heating system**

The existing district heating system in the central area of north Mitrovica is presently working to a very low capacity. Those customers currently connected are mostly public institutions - such as schools, the kindergarten, and some offices. Around 2.5 million Euros are needed to rehabilitate the district heating system. With this investment all apartment blocks and public objects in the north of Mitrovica, as well as the Cultural Centre and the Sports Hall to the south of the Ibar could be supplied with a cost efficient heating system.



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The lack of efficient infrastructure and thus constant water and electricity supply is one bottle-neck factor for economic development. Investment in infrastructure remains one of the most important, but expensive, areas for intervention in the municipality. It is important that the limited financial means that are available are prioritised in those investments that are likely to have the biggest impact on the development of the city. Alongside any investments in infrastructure, a change in current practices should be encouraged. Good infrastructure requires maintenance and constant investment. This can only be provided if the consumer pays for the goods and services used. Capacity can also be increased if wastage of existing resources are avoided. Reduction in wastage tends to be more easily achieved if it also leads to a reduction in cost to the consumer.

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## **5. Industrial sites**

In addition to the question of infrastructure, the availability of space for enterprises is an important factor in the promotion of economic activity. Space is needed for existing enterprises as well as for possible new investments. The most important features of industrial sites include: infrastructure, flexibility of use, good traffic connections and affordability.

A survey of existing enterprises undertaken by the working group for Industrial Sites has shown that the majority of enterprises in the private sector have to work in very restricted conditions. The infrastructure is weak; most of the sites are located on private property in areas of mixed use; operating in yards or in apartment buildings in the direct vicinity of living areas. Extension of the working space is in most cases impossible. Other enterprises have been established along the main roads and in some villages without proper infrastructure or urban regulation. In some cases premises have been rented from former socially owned enterprises. There is no reliable information about rental prices. According to information provided by the municipality, rent tends to be between 2 and 5 euros per m<sup>2</sup>.

Within the municipality there are two main areas that can be used for industrial or production activities. One area is located within the vicinity of the station, consisting of smaller parcels that have the potential for use as wholesale and storage facilities, as well as for production and food processing. The other main

area is a site for heavy industry, further south. Current usage of the industrial sites and working areas in Mitrovica can be categorized into three types. Firstly, sites and premises of former socially owned enterprises, now in the possession of the Kosovo Trust Agency (KTA), which will be privatised in the ongoing privatisation process. Secondly those sites presently used by UNMIK. Thirdly the newly developed, informal areas of the private sector.

Focusing north, the situation is slightly better. In the northern part of the town itself, there is also a lack of available space, however the neighbouring municipality of Zvečan / Zvečan has set up an industrial park in Doljane / Dolan, where space and premises are still available at an affordable price. Bearing in mind the urban structure of the northern part of the municipality and the existing economic structure (with very little production activity), it is in any case questionable as to whether there is a need for space dedicated to this sector in the short term. One area that could be available in the future for production and other commercial uses is a workshop and maintenance area of the former Yugoslav army that has recently been vacated by KFOR.

To conclude, as long as the privatisation process is unfinished, there are for the moment no “legal” sites available for production activities. Space can only be rented for short periods, which impedes long-term investment.

	Station/ Sitnica	Inner city area	South Trepca Industrial Park	Trepca Industrial Park	Česmin Lug / Çeshme Lug	Zhabar / Žabare	Total
Socially owned enterprises	20	5.5		63			88.5
UNMIK/KFOR	8						8
Total of existing sites							96.5

**Overview of existing industrial sites in hectares**

	Station/ Sitnica	Inner city area	South Trepca Industrial Park	Trepca Industrial Park	Česmin Lug / Çeshme Lug	Zhabar / Žabare	Total
Potential sites	14	4.5			1.5	6	26
Extension foreseen by the General Urban Plan	11		62	43	13		129

**Overview of planned and potential industrial sites in hectares**

Of the sites that could be sold in the near future, only a small number could be activated easily for new production activities. Existing industrial sites in the town cover 96.5 hectares, of which UNMIK is currently using around 8 hectares, and 63 hectares make up the Trepca Industrial Park. The latter area is polluted, and basic works aimed at restructuring it are needed if it is to be reactivated for new purposes. Trepca management aim to separate some viable plots of land in this area, however this is unlikely to account for more than 10 hectares. Therefore the viable land that will be released through privatisation could be around 35 hectares in total. There are also serious problems with use of the 129 hectares originally zoned for industrial use in the General Urban Plan from 1979. Pollution through waste dumps, the overall bad condition of the land, as well as the lack of infrastructure, will hinder the cost-efficient use of most parts of this land in the short term.

Of the potential sites, perhaps 20 hectares could be activated, which together with the estimated 35 hectares of viable industrial land that will become available through the privatisation process add up to an overall space of 55 hectares for economic activities.

Only broad estimates are possible regarding the future needs for space. For the existing workforce in Mitrovica in the production, construction and retail sectors, industrial sites of around 25 hectares would be sufficient (if an average workspace of 100 m<sup>2</sup> is projected for each worker). However, the existing economic structure is very weak and does not represent a sustainable structure for the future. A rough calculation based on a comparison with other European regions could therefore be helpful to assess the future need for space. Based on a calculation of 90,000 inhabitants, an average employment rate of 40% (with around 23% of workers in the production sector), the need for space in the production sector alone would be around 50 hectares. An equivalent amount of space would also be needed for trade and services, as in modern societies these activities tend to require a large amount of space.

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▶▶ This conservative estimate means that the municipality will need to activate the entire existing and potential space of around 55 hectares in order to satisfy the current and future needs for industrial space.

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Cattle Market area



**Urban development concept Mitrovica**  
**Industrial site development / ownership and restrictions**  
*Urban development concept Mitrovica*  
*Industrial site development / ownership and restrictions*

	industrial zone industrial zone		trade, commerce trade, commerce		no infrastructure no infrastructure
	working area working area		military military		bad land status bad land status
	new working area new working area		KTA KTA		environmental restriction environmental restriction
	working area unused working area unused		UN / KFOR UN / KFOR		
	industrial zone unused industrial zone unused		private use private use		
	potential site potential site		municipal municipal		
	planned industrial zone, GUP		private use & municipal		

## 6. Urban Development Guidelines

The urban development guidelines in this section revisit the conclusions about urban management in order to help synchronise the future urban planning activities with the content of this agenda.

### General development guidelines

#### (a) Limitation of urban extension

After a long period of urban extension without proper planning and regulation, limitation of the extension of the town is crucial for the future.

Ü The main problems are:

- A widespread and dispersed urban settlement that cannot be efficiently serviced with technical infrastructure.
- Environmental and health problems caused by the lack of infrastructure.
- Central public infrastructure, especially schools, cannot be reached easily and safely by pupils.

Ü The central questions are:

- How can these areas be provided with proper infrastructure and who should pay for this?
- How should these areas be included in an urban plan?
- What are the appropriate measures to avoid further extension?

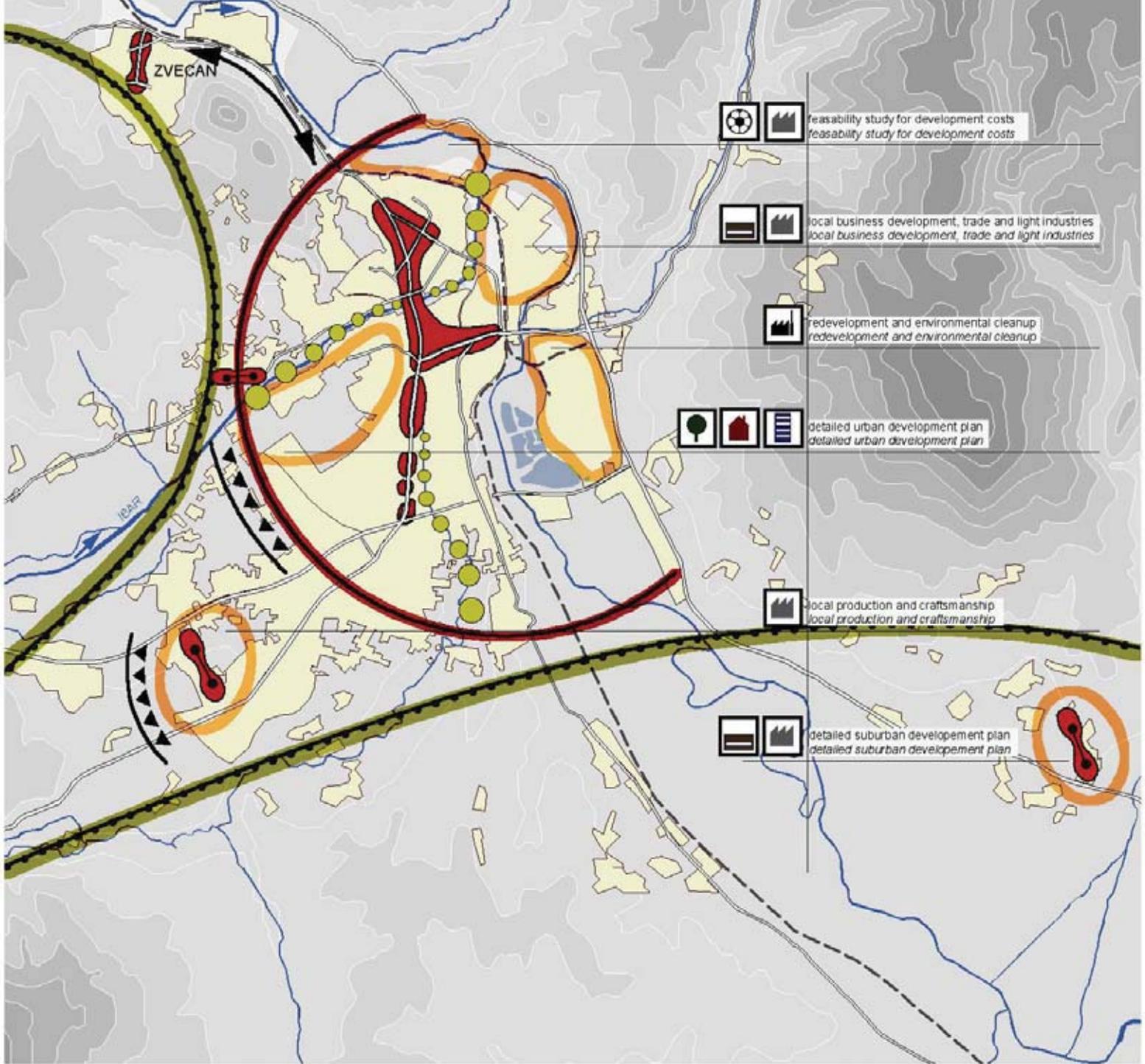
#### (b) Landscape protection

The other aspect of the limitation of urban extension is protection of the landscape. This objective has different aspects:

- Preservation of its ecological function as a natural habitat.
- Preservation of its capacity for filtration of water to avoid flooding.
- Protection of agricultural activities.
- Preservation of natural resources for recreational activities.

These two guidelines refer basically to the urban extension along the main roads in the direction of Kqiq i Madh / Veliki Kičić and the settlement activities in the Lushta / Ljušta valley, as well as the areas between the stadium and Zhabar / Žabare, and the Shipol / Šipolje region. Here regulation is urgently needed in order to stop the ongoing process of settlement.





**Urban development concept Mitrovica**  
**Development guidelines**  
*Urban development concept Mitrovica*  
*Development guidelines*



innercity development and rehabilitation  
*innercity development and rehabilitation*



development area  
*development area*



landscape protection  
*landscape protection*



limitation of urban extension  
*limitation of urban extension*



improvement of the riversides  
*improvement of the riversides*



improvement of the central area  
*improvement of the central area*



promotion of suburban center development  
*promotion of suburban center development*



industry  
*industry*



light industry  
*light industry*



service  
*service*



trade  
*trade*



housing  
*housing*



green spaces  
*green spaces*



recreation  
*recreation*

(c) Inner city development and rehabilitation and development areas

The third general guideline, which is closely linked to the previous two, is a focus on inner city development, and the establishment of development areas. If there are serious efforts to limit urban extension, then parallel efforts are needed to facilitate development in the inner city, and other selected areas of intervention. The inner city has to face a range of problems:

- Degradation of historic inner city quarters in Qendra / Centar and rehabilitation needs of apartment blocks.
- Weak infrastructure in the area of Qendra / Centar, Bajr / Bair and Ilirida / Tamnik.
- Limited space for the extension of service and business functions.
- Restricted space for parking and insufficient traffic regulation.
- Unregulated market and street-selling activities and traffic congestion in the main streets especially on market days.
- Degraded public spaces and unattractive green areas.

Key aspects of the necessary works are already underway, like the rehabilitation of the water supply, but coordinated action is needed too prevent the gradual depreciation of the inner city area. This process, accelerated by the de-facto division of the town, could support the dislocation of the 'centre' into peripheral areas, especially in the south of the town. This in turn could create a self-perpetuating cycle, whereby a constant demand for new infrastructure arises at the urban fringe, at the same time as ongoing investments are needed to maintain the existing system. Investments and activities should, therefore, be mainly focused on the improvement of existing settlements and on areas that can be easily connected to existing infrastructure.



## Development areas

The proposals below are made as part of an attempt to concentrate financial means and activities in specific areas in order to achieve cost efficient and proactive development. The areas examined include:

### Česmin Lug / Çeshme Lug – north Mitrovica

A feasibility study into the possible development of Česmin Lug / Çeshme Lug (the area between the Ibar river and the railway) has been undertaken by the urban planning department of the UNMIK administration in north Mitrovica.

For most of this land the cost for provision of basic infrastructure (roads, water and sewage) would be around 45 euros per square metre. These costs are high because of the need for landfill in this area. Two plots of land in this area would be cheaper to develop – around 15 euros per square metre, however one of these plots is private, and the other is currently being used as an informal settlement.

The cost of this development would be in any case be very high in relation to the actual demand for industrial sites in the north of Mitrovica. In order to avoid expensive investments in spaces where the future use is highly doubtful, it is would make sense firstly to focus on the activation of the existing industrial park in Doljane / Dolan, where space is still available for production activities.

In addition to the space in Doljane / Dolan, a workshop and maintenance area of the former Yugoslavian army has recently been vacated by KFOR in north Mitrovica. This area near to the railroad could be developed more easily than the Česmin Lug / Çeshme Lug area, and refurbished buildings are also available at this location. As a mid-term perspective the development of this area should be prioritised ahead of the Česmin Lug / Çeshme Lug area.



Česmin Lug / Çeshme Lug area

### Sitnica Enterprise Zone and Trepca Industrial Park:

The two existing industrial areas around the railway station (Sitnica Enterprise Zone) and the Trepca industrial park could offer space for future economic activities.

The Trepca management is attempting to develop selected parts of the area through the rental of premises and through privatisation. An environmental clean-up of these areas is necessary in order to create appropriate conditions for future use. Financial support for redevelopment activities and investment in the environmental clean-up is important, not just because of the ecological conditions. From an urban development perspective it also creates land for industrial use that is scarce anywhere, and this could represent one positive location factor for the Mitrovica region.

The Sitnica Enterprise Zone is well located, and its heterogeneous structure and use offer good conditions for local business development; including trade activities and light industry. Recommendations for the activation of two specific pieces of land in this area – the trailer factory and the cattle market area – are outlined in



Sitnica Enterprise Zone

the final section of this agenda, as one of its primary recommended actions. Most of the land in this area belongs to the Kosovo Trust Agency and will be privatised in the future. Some further premises and areas are used by KFOR and UNMIK.

The existing use of these parcels will change in the coming years. The process of privatisation and in particular the sale of the premises and the land would be supported by a comprehensive Real Estate Management Plan for this area. It is highly recommended that the development possibilities of the different plots of land are assessed, and that a concept for the division and organisation of the site is developed in advance of privatisation. Agreement should be reached as to what kinds of use should be permitted in the future.



The municipality should develop a management concept and set up a development group in partnership with the Kosovo Trust Agency. This group can help to guide the process, to create conditions for secure investment for future users, and to ensure that the area will be developed and promoted as an important inner-city working area.

#### **Roma Mahala – Stadium area**

The development of the unused inner-city space of the former agricultural cooperative and the area around the new stadium, as well as the destroyed Roma Mahala could be a short and long-term focus for urban development. Here cost-efficient development through the use of existing resources is possible, as well as the creation of opportunities for the extension of central area functions. The following tasks should be integrated into a comprehensive urban development plan:

- Reconstruction of the Roma Mahala.
- Green and recreational areas, especially by the riverside.
- A new market area, new housing and service-orientated businesses.
- Light industrial and trade zones in the stadium area.
- Development of a new traffic scheme.
- Protection of space for social and educational infrastructure.

#### **Central area improvement and development of suburban centres**

In addition to urban development in the above-mentioned areas, the improvement of the central area is an important priority for action. A plan for inner-city rehabilitation should be developed.



Zhabar / Žabare

The promotion of suburban centres can help to concentrate the ongoing process of widespread suburban development along the main traffic arteries into some key areas. In these areas the provision of basic technical and social infrastructure is needed, and should be prioritised. Two areas would be suitable for this: Zhabar / Žabare, Shipol / Šipolje and Kqiq i Madh / Veliki Kičić. For both areas a detailed suburban development plan should be created.

## Development Strategy

### KEY THEME ONE:

#### Supporting Businesses and Developing the Private Sector

##### Objective 1

Increasing the access to space that is serviced with infrastructure for small businesses in all sectors in the municipality, particularly in the production sector, ensuring that there will be enough land in the municipality for commercial activities in the medium and long-term.

##### Actions / Recommendations:

- a. Privatisation of the trailer factory area by the Kosovo Trust Agency, to be sold in smaller parcels so that small businesses can acquire land for long-term investment.
- b. Cattle market -land to be made available in parcels without buildings to private production businesses for long-term investment. Investments in basic infrastructure to be sought.
- c. Development of a long-term industrial site development concept, reactivating some space for future demand through fundraising for the clean up of environmental pollution.

##### Objective 2

Supporting the enterprise-orientated service sector (advertising, accountancy, etc), so that this will have a knock-on effect in improving performance and competition amongst other enterprises. Supporting service-based activities in the north of Mitrovica, to capitalise on the opportunities offered by the university.

##### Actions / Recommendations:

- a. Business incubator in the Cultural Centre (providing sheltered office space for start-ups and small businesses, offering training, support and advice).
- b. Project to offer credits to landlords to improve properties for renting to students in north Mitrovica.

**KEY THEME ONE:  
Supporting Businesses and Developing the Private Sector**

▶▶ **Objective 3**

Improve the trading environment in the town, by making sure that there are adequate spaces for traders to store and to sell their goods; also serving to improve the regional significance of Mitrovica.

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**Actions / Recommendations:**

- a. Create a green market space in north Mitrovica.
- b. Activate the Ibar market for wholesale trade with short-term lease arrangements; so once the market has become established in south Mitrovica it can expand to bring in traders from all over the region. This will free space in the centre of the town from trucks and wholesale trade activities.

▶▶ **Objective 4**

Making sure that the business community have good access to information and to training, and that the systems of business support are in place and work in coordination with each other.

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**Actions / Recommendations:**

- a. Clarify the distinctions between the different business support organisations in the south of Mitrovica. Strengthen the business centre as a support and information centre, and the Regional Enterprise Agency as a training and development hub.

▶▶ **Objective 5**

Supporting existing businesses, nurturing the capacity of the small businesses that have started to emerge, and setting out potential avenues for future investments. Building trust between the Municipality and the business community.

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**Actions / Recommendations:**

- a. A pilot project linking the repair of the facades of the apartment blocks with training for companies and workers in order to improve the knowledge base of skills and techniques that can be transferred to repairing blocks in other municipalities.
- b. Undertake a "Strengths / Weaknesses / Opportunities / Threats" analysis into the potential activities in the production sector.
- c. Establishment of a municipal development fund in the south - mirroring the project already existing in the north under the International Organization for Migration. This could be administered by the Business Centre, offering credits to small businesses and start-ups at favourable rates.
- d. Offering municipal tax incentives for production companies in the start-up phase, exempting them for the first two years of their operations.
- e. Analyse how the introduction of different models of 'tax-free zone' in the municipality could affect the business environment.

**KEY THEME TWO:****Creating knowledge and education for economic change****Objective 1**

Ensuring that the education system is well enough equipped to provide young people with the skills that they need in order to have better prospects after leaving school.

**Actions / Recommendations:**

- a. Equipment of schools with computers, and with training to teachers in computer maintenance and IT teaching.

**Objective 2**

Linking up the schools and the business centres, and encouraging the development of entrepreneurship amongst young people.

**Actions / Recommendations:**

- a. Establishment of a Mitrovica training facility network - linking up the different facilities available in the municipality. Organising trips for students to visit businesses to find out about how they operate, and arranging for local business people and business associations to visit the schools to talk about their work.
- b. Developing business training and entrepreneurial skills as an extra-curricular activity, especially in the economic school. Drawing on the expertise of the Young Enterprise / Junior Achievement Scheme; courses for students could be organised by the members of the training facility network.

**Objective 3**

Increase the amount of vocational training available to residents of Mitrovica, especially training that will lead to internationally recognised qualifications.

**Actions / Recommendations:**

- a. Establishment of a CISCO training academy in Mitrovica - available to communities living in both the north and south, offering high-end computer training, as well as management skills.

**KEY THEME TWO:  
Creating knowledge and education for economic change**

**KEY THEME THREE:  
Developing rural areas**

**Objective 1**

- ▶▶ Prioritise investment in infrastructure that will develop capacity in key rural areas.

**Actions / Recommendations:**

a. Develop key areas such as Kqiq i Madh / Veliki Kičić and Zhabar / Žabare to be suburban centres with a proper development concept and areas such as Bare / Bare, Koshtovë / Košutovo and Frashër / Svinjare to be agricultural centres, and / or places where tourism could be supported. Prioritise the infrastructure investment needs in these areas.

**Objective 2**

- ▶▶ Once the household survey of rural areas is complete, use this data to identify the potential for agricultural development in rural areas.

**Actions / Recommendations:**

- a. Identify farmers that have the capacity for development, and provide them with the means that they need to become stronger commercially and to establish food-processing activities. This can be done through the creation of an investment scheme for which individual farmers can apply.
- b. Investigate the potential for the formation of Machinery Associations in selected areas, where machinery can be shared by different farmers to maximise the use of resources.
- c. Analyse the food processing chains that currently exist in the region and undertake a feasibility study into the areas in which food processing and agricultural production could be linked. Encourage entrepreneurial activity matching the production of food to the regional market needs.
- d. Projects that arise as part of a larger strategy should follow a market rationale, and investments should only be made where there is a commercial logic involved. The kind of projects that could be explored involve the construction of greenhouses, or the establishment of collection points in key rural areas.

**KEY THEME FOUR:****Improving urban management and the quality of life****Objective 1**

Ensure efficient urban management by linking investments in infrastructure to spatial and economic development plans.

**Actions / Recommendations:**

- a. The municipality should keep an up-to-date list of investments in infrastructure, with a clear explanation of how the investments support economic development objectives. This list needs to be prioritised and publicly available.
- b. Infrastructure priorities for the forthcoming period should include: the business park in the cattle market area, rural areas (Kqiq i Madh / Veliki Kičić, Koshtove / Košutovo, Zhabar / Žabare and Bare / Bare) and the sewage system and sewage treatment plant.
- c. Undertake a public information campaign to inform people about the consequences of water wastage, and to explain the need to pay utility bills.
- d. Promote the reconstruction of the regional infrastructure such as the railway and the roads to Novi Pazar and Podgorica in order to strengthen the regional position of the town.

**Objective 2**

Provide a stable framework for private investments in terms of zoning and prospective urban development plans.

**Actions / Recommendations:**

- a. Implementation of the development guidelines outlined in the section on Spatial and Urban Structure, and focus on the development areas suggested. A particular focus is needed on making space available for businesses and for developing new working areas in the suburban areas in order to channel and regulate demand. (Kqiq i Madh / Veliki Kičić and Zhabar / Žabare)

**KEY THEME FOUR:  
Improving urban management and the quality of life**

**KEY THEME FOUR:**  
**Improving urban management and the quality of life**

**Objective 3**

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- ▶▶ Promote the creation of quality public space and improve the daily living conditions of the inhabitants. Use the assets of the municipality to create a vibrant town that is attractive to outsiders, as well as the people that live there. Promote a culture of civic pride in the appearance of the town and what it has to offer.
- 

**Actions / Recommendations:**

- a. Establish a Mitrovica Residents Regeneration Fund in both the north and in the south to which residents committees can apply for funding for small improvement projects that they can implement in their immediate communities and apartment blocks.
- b. Create an inner city regeneration plan for the north of Mitrovica, with proposals to reorganise the parking, traffic flows, and the improvement of residential areas and green spaces.
- c. Make use of the cultural space available in Mitrovica, establishing a gallery space, commercialising the café areas and the cinema.

**Objective 4**

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- ▶▶ Take action to deal with the sources of pollution in the town, in order to provide inhabitants with a healthier living environment.
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- a. Crush the rubble from demolished housing in the municipality - and in particular the waste materials from the reconstruction of the Roma Mahala - to be used to cover the tailings sites in the municipality, reducing the spread of harmful dust from these sites.

**KEY THEME FIVE:****Co-operation and coordination - creating networks****Objective 1**

Paper, plans and ideas are nothing without structures or funds to realise them.

Therefore, the most important part of the development strategy will be the implementation. A multi-level strategic approach is needed, to which all the residents of Mitrovica are committed.

**Actions / Recommendations:**

## a. International Level

Mitrovica has the same economic problems as many other towns in the wider region. It needs to capitalize on the international attention that it has in the short-term to send a strong signal about the joint commitment of the north and south of the town to build an economic future. There are many demands on the international donor community, and Mitrovica needs to show that investment here will make a difference - and that there is a coherent economic development strategy that is supported by all the citizens. The overall perception of Mitrovica is generally a negative one. There is a need to turn this around, and if it is to attract investment, there is a need to do some "marketing" about how positive Mitrovica could be if there is a commitment to long-term development.

## b. Regional Level - Ibar Valley Initiative

Although this is a municipal level strategy, economic development must also be understood in a regional context. The creation of an initiative between the municipalities in the Ibar Valley region for the purposes of regional economic development would be valuable - looking at issues such as the railroad and the university. A regional development fund could be established for investments that would affect the whole area. Trepca also needs to be looked at in this context - possibly through the establishment of a working group including regional actors as well as the Trepca management, the KTA, UNMIK, donors and other actors. This group could look in more detail at the potential for reactivating some aspects of Trepca's commercial activities.

**KEY THEME FIVE:  
Co-operation and coordination - creating networks**

c. Local Level

There will be a lot of different actors involved at implementing the strategy at the local level, some within the Municipality and some outside. The appointment of Local Economic Development Co-ordinators in the north and the south to keep track of what is happening, and to push things forward will be important to make sure that the implementation keeps moving in the right direction. These co-ordinators should be directly linked to the CEO's office, in order to fulfill their multisectoral and integrative tasks. They have to work together closely with all levels of the administration and external organisations. They have a coordinative function and thus they act not like department heads but as advisor to the departments. As well as the new projects and initiatives that are being proposed in this agenda, it is important to make sure that the existing facilities are being used as effectively as possible to pursue the objectives of the agenda.

d. Individual and Community Level

The commitment, energy and imagination of citizens themselves will be the key factor in creating economic development. A local level strategy can only offer ways to help this happen. Aside from business activities, the improvement of the appearance of the town will have a big impact on economic development, by making it a more attractive place. There is a lot that can be done at the community level to improve the quality of life in the town - one way to organise this can be through the formation - or restarting - of resident's committees. The municipal administration can support these activities through a citizen's regeneration fund.