

# Project Management Consulting

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## **DEVELOPMENT PROJECT SUMMARY OF THE MUNICIPALITY OF BRINJE**

**2006 - 2011**

## A) INTRODUCTION

According to the Law of county, city and municipality areas in the Republic of Croatia (Official Gazzette 10/97, modifications and amendments Official Gazzette 124/97 and 68/98), the Municipality of Brinje is a part of the County of Lika and Senj. Municipality of Brinje in its structure has a total of 12 places (Brinje, Glibodol, Jezerane, Križ Kamenica, Križ Polje, Letinac, Lipice, Prokike, Rapain Klanac, Stajnica, Vodoteč and Žuta Lokva). The Municipality of Brinje is situated on an important traffic and geograhic position between the area of the NW Croatia and Primorje, respectively Dalmatia, and important communications pass through this area (in the direction of Zagreb, Otočac and Senj, as well as Rijeka). As a result of its marginal position in the area of Lika, the Municipality of Brinje gravitates towards the developed regions and big urban centres situated at west and north (Rijeka, Karlovac, Zagreb).

Specific quality of the County of Lika and Senj is that it belongs to two regions: mountain and mediterranean, with corresponding diversities in relief and climatic characteristics. The vast basin of Lika is situated between the mountain chains of Velebit, Kapela and Plješivica and the upper stream of the river Una. The bottom of the basin is over 400 meters of height above sea-level (mostly between 500 and 700 meters above sea-level, whereas the height of the orographic frame is between 1.200 and 1.700 m. With lower Karst midmountains it is articulated to few separate plains: of middle Lika, Gacka, Krbava and Lapac. From the morphologic point of view the area of the county is characterized by pronounced Karst, with all of its forms: (round karst valleys, sink-holes, hollows, plains, river valleys with numerous cascades and many subterranean caves and cavities).

Of total area of the Municipality of Brinje of 35,820 ha, 1.49 % or 533.5 ha is a built up populated area. Buildable area takes up the 655 ha or 1.83 % of total area of the Municipality of Brinje. Reserves in the buildable area amount to 22.8 % of total buildable area. Development of localities in the area of the Municipality of Brinje is based on their demographic structure, possibilities of the rebuilding of the localities, as well as possibilities of making available all the elementary public utilities (traffic, power supply and water supply). Considering the structure of the localities (very scattered pattern, especially of some localities), it is necessary the inclusion of the state cofinancing and supplying credit for infrastructure development.

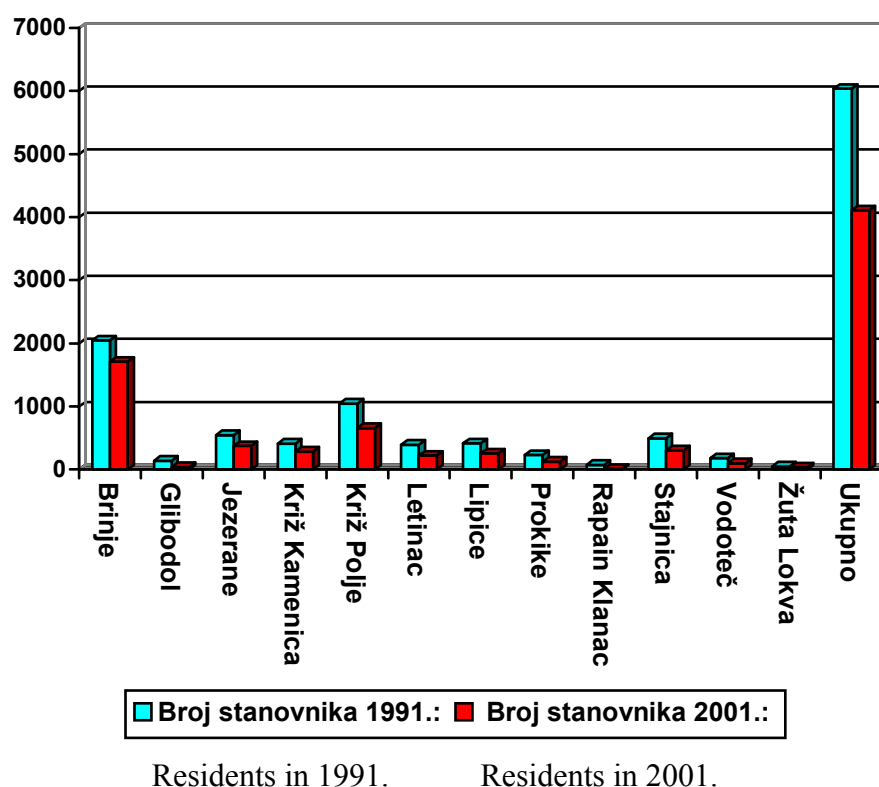
The Municipality of Brinje is responsible for development of public utilities and traffic infrastructure on its area, except for the ones of county or state importance, and according to its needs and financial possibilities. Considering the ravages of war, economic subjects conditions and modest funds from its own sources, the Municipality of Brinje will have to use for this needs the outright grants of the county, state and E.C., as well as the credit funds.

The Municipality of Brinje has in its structure 12 localities, where, according to the census of the year 2001, lived a total of 4.108 residents in 1.378 households. In the census of 1991. there were registered even 6.035 residents, respectively 32% more than in 2001. The average population density is of 11,4 residents/km<sup>2</sup>, and the average number of household members is 2,98. The largest locality in the area of the Municipality of Brinje is the locality of Brinje, with 1.707 residents (census of 2001.). The area of the Municipality of Brinje is of 358,2 km<sup>2</sup> (or 6,6 % of the county area). In terms of the population structure there were prevailing agricultural households. According to statistical data, in the Municipality of Brinje lives 7,6% of the residents of the Conty of Lika and Senj. Moreover, there should be mentioned that the municipal center, locality of Brinje, takes part in the total number of residents of the Municipality of Brinje with 41,5%. The County of Lika and Senj with population density of about 10,03 residents per km<sup>2</sup> is considerably less populated than the average of the Republic of Croatia (84,6 res./km<sup>2</sup>). The municipality of Brinje with 11,4 residents per km<sup>2</sup> has slightly major population density than the County of liko and Senj, but is outnumbered by the population density of the NW Croatia, which is with 140 residents per km<sup>2</sup> the most populated area of the country.

Demographic development of the Municipality of Brinje, considering the period from the census in 1900. until today, wasn't uniform. There are clearly distinguished two characteristic periods: the first until the year 1910. (period of increase), and the second from 1910 (period of continued decrease) until today. In 1910 absolute largest number of residents in the area of the actual Municipality of Brinje (18.253 residents) was registered, precisely for the reason of fall of the transit role of the Municipality of Brinje in relation to the Port of Senj, and fall of business activities in the city of Senj. Thereupon, to the present, the number of residents continuously decreases, although with dissimilar intensity. The greatest decrease of the number of residents was registered in the period from 1931 – 1948 (decrease of 2.981 residents), caused inter alia by the Second world war, even though the biggest decrease of residents was registered in the period from 1991 to 2001, when the number of residents of the Municipality of Brinje was lessened for even 32%.

Localities	Number of residents in 1991.:	Number of residents in 2001.:
Brinje	2047	1707
Glibodol	141	41
Jezerane	547	375
Križ Kamenica	412	286
Križ Polje	1046	655
Letinac	394	222
Lipice	417	254
Prokike	229	122
Rapain Klanac	72	10
Stajnica	497	301
Vodoteč	181	98
Žuta Lokva	50	37
Total	6035	4108

Source: Regional plan of the Municipality of Brinje



Emigration leads to increasing senescence of the demographic mass of the municipality. Natural increment of the population is decreasing, and since the emigration shows much greater rate of growth, the number of population is in constant fall. The municipality has especially negative population development in the period between the censuses from the 1971 to 1981, when together with the cited causes there is also leaving of population for temporary work abroad, which decreased even more the increment of population. In that period the number of residents of the municipality was lessened for more than 2.081 or 24,2%. Similar trend can be observed in the period between the years 1991 and 2001, when the number of population was lessened for even 1.927 residents, which is in its greatest part a consequence of war.

The research and the compilation of the Project of total development (PTD) was approached in the first place for the fulfillment of the basic mission of every inhabitant of the Municipality of Brinje: consistent and faster economic development of the Municipality of Brinje in the County of Lika and Senj and in the Republic of Croatia.

During the research and the compilation of the study the following main goals were set, which have to be fulfilled in the future development of the Municipality of Brinje:

In terms of quality:

- increase of the quality of life in the Municipality of Brinje
- long term certainty of incomes of the Municipality of Brinje
- long term certainty of the economy incomes of the Municipality of Brinje
- long term certainty of work places in the economy of the Municipality of Brinje

Quantitatively:

- increase of incomes of the Municipality of Brinje
- increase of incomes of the economy subjects, corporations and physical persons in the Municipality of Brinje
- increase of employment of local population
- certainty estimate of income increase which has to replace the former incomes from activities related to the construction of the motorway Zagreb-Split

Contents of research and analysis which were carried out in this study are the following:

- Introduction and defining of the research with shortly described mission of the project, goals, research methods, financial methods and prognosis.
- Research and analysis of present system of using lands and structures of the Municipality of Brinje by the economy (private and statal).
- Research and business analysis of the economy of the Municipality of Brinje in the past 2 years and business prognosis of the economy of the Municipality of Brinje by activities for the period from 2006 to 2011 with no changes in the economy development of the Municipality of Brinje. Research field were economy subjects, corporations: small, medium and big companies and craftsmen (physical persons) in the present administrative borders of the Municipality of Brinje.
- Suggestion of development scenario of the economy of the Municipality of Brinje,
  1. Development of agriculture, food production
  2. Development of trade, catering business, agro and rural tourism, as well as health tourism
  3. Industry development – entrepreneurial zones, wood industry, and drinking water production
  4. Development of forestry and hunting economy
  5. Development of intellectual, financial and other services
- Research and analysis of the economy development of the Municipality of Brinje for the suggested development scenario for the period from 2006 to 2011.
- Conclusions, recommendations and plans of realization of changes in the economy of the Municipality of Brinje

The Municipality of Brinje, besides its present developmental politics for localities, has to pay special attention to the economy development in the Municipality of Brinje.

One of the main elements of this politics is the development and construction: entrepreneurial zones of Žuta Lokva, and better use of other real estates and lands in the property of the Municipality of Brinje through selling the lands and investments in the model of public private partnership.

The Municipality of Brinje is given the recommendation to approach the economy development stimulation in the following way:

- Assistance to economy subjects of the Municipality of Brinje in the appearance on wider market
- Organization of trade fairs, economy meetings and sport competitions
- Compilation of regional market and visual identity concept
- Foundation of regional development center
- Stimulation of tourism, catering, service production and service trade activities.
- Dedication and requirement that the future investors have company headquarters in the territory of the Municipality of Brinje,
- Communal contributions relief
- Exemption of entrepreneurs payment of part of communal contributions relief
- Realization of investment according to the public private partnership model.

## **B) ECONOMY DEVELOPMENT– RESOURCES AND DEVELOPMENT MODELS**

### **1. AGRICULTURE DEVELOPMENT, FOOD PRODUCTION**

**Priorities and agriculture development and food production from the draft of the Regional operative programme – ROP of the County of Lika and Senj 2005. - 2010.:**

**PRIORITY 1: Construction of the physical infrastructure for the agricultural development support**

Measure 1: Revitalisation of the existing and construction of new storehouses for keeping, package and sorting of agricultural products ( refrigeration plants, curing sheds, floor-storehouses for potatoes)

Measure 2: Construction of irrigation and drainage system on agricultural areas (for intensive production of various cultures)

**PRIORITY 2: Institutional and financial support to the agriculture development**

Measure 3: Development of cattle-raising and crop production and support to the cooperative movement in the agriculture.

Measure 4: Support to foundation of small food-production and processing capacities, as well as capacities of mariculture and aquaculture (*curing sheds, cheese dairies, meat processing, fish and shells farming, oil works, leather-works, wool processing and similar*)



Measure 5: Support to development of market of local agricultural products (ensuring the market for local manufacturers)

Measure 6: Stimulation and support to the ecological agriculture development

Measure 7: Foundation of institutions for research and development of agriculture and giving support to the collaboration between producers and institutions for research and development of agriculture.

Measure 8: Introducing of new technologies with the purpose agricultural products competition improvement

Measure 9: Rural development programmes (social-cultural and economic programmes for improvement of the quality of life in the country side and inclusion of the community).

## **CATTLE-RAISING DEVELOPMENT IN THE AREA OF THE MUNICIPALITY OF BRINJE**

Cultivable area has general conditions for cowherd, shepherd and goatherd production development. Other cattle-raising productions can proceed in the supervised conditions with limited-access.

The named three types of production can proceed in natural and biological harmony in the systems of maintainable production and satisfy all the ecologic and ethologic standards, and comply with contemporary requirements for animals welfare.

Orographic, pedologic and climatic conditions determine the establishment of extensive production forms according to the principle of low investment («low animal input» or «low husbandry input»).

Main primary products are cow, sheep and goat milk, sheep and goat meat (with emphasis on baby beef, lamb's meat and kid meat). Extensive production systems and general conditions give the opportunities of production of cited primary products with ecological values.

The cost price of each product is higher than production of similar products in industrial conditions. Therefore the production profitability should be found in marketing of the product with bonus of ecologic and authentic.

Raw milk is higher-priced than the average european market price for milk produced in bigger series and herds with industrial procedures. Therefore is necessary to ennoble the milk produced here in an attractive milk product with geographic origin with the price for at least 30% higher respect to the related victuals. Cited principles can be picturesquely expressed in the following way: **grass (pasture) – cow, sheep, goat – milk – cheese (“škripavac”, “basa” – typical types of cheese of Lika)**

In this area the cattle production is traditionally performed in peasant farms. The future production should also be developed in such farms with bigger herds and up-to-date technologies. Possible production subjects are also entrepreneurs on rented areas.

Significant criteria of ecological meaning is the respect of animal population density regarding the available areas and agglomerations (herd size). Middle herds in family farms instead of big specialized farms would be the solution of this issue.

## **MILK CATTLE-RAISING COMPLETION OF GENETIC POTENTIAL OF MILK CATTLE-RAISING**

The prevalent conditions of the County of Lika and Senj milk cattle-raising genetic basis are not satisfactory regarding the breed structure and quality of genetic potential of the existing population. Positive movements regarding the consolidation of the breed structure and raising of genetic potential in the production of milk are noticeable. They are evident through the increase of the portion of brown breed of bovine with milk accent. The brown bovine is for its origin, physical constitution, quantity of milk and acclimatization to mountain conditions, a breed suitable for the area of the County of Lika and Senj. It is originally an Alpine breed of bovine, and it superbly fits into the landscape. From the point of view of breeding there shouldn't be neglected the Simmenthal breed or the Holstein, but they shouldn't be put in foreground. Also some other breeds which were introduced earlier and today are in global cattle breed trends should be given the opportunity to show and prove themselves. In the first place we think about the Jersey breed, which is for the bigger part of dry matter in its milk and smaller body frame suitable for the climate of Lika, of course with appropriate management. In relation to the breed recommendation we shouldn't forget the "buša", our original autochthonous breed which has since antiquity been settled in Lika and has for centuries fed its population, and today is brought on the edge of disappearance.

## DEVELOPMENT MODEL – PROJECT OF INVESTMENT IN THE MINI DAIRY PLANT

### FINANCIAL ELEMENTS OF THE ENTERPRISE

#### Investments in the equipment

In kunas

No.	Commercial denomination of goods	Quantity	1st year	2nd year
1	Pot for milk pasteurization and preparing of cheese curdle 350 litres	1	65,645	
2.	Platelet heat exchanger	1	13,002	
3.	Set with 2 electric heaters	1	8,762	
4.	Refrigeration equipment	1	14,800	
5.	Equipment for hard cheese production	1	29,992	
6.	Equipment for cottage cheese production	1	59,680	
7.	Equipment for drawn butter production	1	5,461	
8.	Other additional equipment	1	56,932	
9.	Envelope for roll bales	2	13,813	444,000
10.	Roto bale maker	2		370,000
11.	Self-loading trailer for roll bales	2		148,000
12.	Tractor	2		592,000
13.	Milking equipment	2		296,000
14.	Rotational scythe	2		59,200
15.	High pressure bale maker	2		74,000
<b>Total value:</b>			<b>268,086</b>	<b>1,983,200</b>

## **LIST OF SUSTAINABLE PROJECTS FROM THE AREA OF AGRICULTURE WITHIN THE FRAMEWORK OF THE PROGRAMME OF TOTAL DEVELOPMENT OF THE MUNICIPALITY OF BRINJE**

- Production of cow milk cheese on family farms –
- Production of autochthonous semihard cheese of goat and sheep milk - family or cooperative dairy plants
- Production of broad range of pasteurized autochthonous milk products - family or cooperative dairy plants
- Production of cottage cow cheese – family or cooperative dairy plants
- Production of snails and construction of snail farms
- Gathering of wild mushrooms and processing in the broad range of wild mushrooms salads (edible bolete, chanterelle, cantharellus lutescens, cantharellus cornucopioides, hydnum repandum, pholiota aegerita, lepiota rhacodes, lactarius deliciosus, psalliota silvicola...)
- Gathering of wild mushrooms and processing in ketchup and hot chutney (edible bolete, chanterelle, cantharellus lutescens, cantharellus cornucopioides, hydnum repandum, pholiota aegerita, lepiota rhacodes, lactarius deliciosus, psalliota silvicola...)
- Gathering and withering of medicinal herbs (wild thyme, marigold, St. John's wort, cabbage-rose, plantain, dandelion, dog-rose berry, hawthorn, lime, elder... )
- Picking and making potions of pine (fir, spruce) needles
- Cultivation of ecologic and maintainable cabbage and root vegetables ( broccoli, cabbage, borecole, lettuce, radicchio, carrots, parsley...)
- Cultivation of seed potatoes
- Cultivation of mercantile potatoes and processing in a small chips factory
- Restoration of old species of orchards plums, apples, pears
- Raising plantations of ecologic and maintainable apple-trees, pear-trees and plum-trees and processing of fruit into fruit brandy, juices, marmalades, jams
- Raising plantations of ecologic and maintainable berry fruits: strawberries, blackberries, raspberries and garden blueberries and production of juices, jams and marmalades
- Ecologic apiculture - ecologic production of honey, propolis, pollen, beeswax, gelee royale

- Ecologic production of bees on frames
- Trout farm with processing in smoked trout and within this framework production of ducks

From the above informations is evident that the Municipality of Brinje is rich in agricultural and cattle capacities. In Brinje is founded an agricultural cooperative which takes care of agriculture and cattle development and which coordinates the obtaining of statal incentives and buying off of milk.

However, this shouldn't be satisfactory enough. In our opinion in the Municipality of Brinje exist great possibilities of development of mini dairy plants which would produce milk products.

There is a private dairy plant in Brinje, but it is in bankruptcy. We suggest organizing of financial help by the Municipality of Brinje with which the existing dairy plant would come out of the bankruptcy and restart with the production as well as buying off milk.

**Projects from activities of agriculture and food production which realization is of interest for the development of the Municipality of Brinje:**

Name of project	Project promotor	Project location	Total investment
1. Cultivation of mushrooms pleurotus ostreatus	Evam d.o.o. Zagreb	Brinje	1,258,000 kn
2. Warehouse and packing of the surplus of the agricultural products: potatoes, beans, apples, blackberries, raspberries		Entrepreneurial zone Žuta Lokva	
3. Production of plum brandy of Lika		Entrepreneurial zone Žuta Lokva	
4. Production of cheese «škripavac»			
5. Adaptation of economy facilities, construction of capacities for production and selling of cheese			
6. Construction of outhouse workshop for processing of agricultural products – eco system – cabbage, potatoes and consumption milk, and equipment			
7. Production of consumption milk			
8. Construction of an annex of outhouse for 35 cows – stable with milking	Zoran Mesić	Brinje Vodoteč	1,500,000 kn

## **2. DEVELOPMENT OF TRADE, CATERING, AGRO AND RURAL TOURISM, AS WELL AS HEALTH TOURISM**

**Priorities and tourism development measures from the Regional operative programme – ROP of the County of Lika and Senj 2005. – 2010.**

### **PRIORITY 3: Human and institutional capacities development for the tourism development**

Measure 10: Making out and implementation of instructional programme of touristic education (for existing and beginner personnel)

Measure 11: Development and improvement of all subjects capacities in tourism

### **PRIORITY 4: Development of the complete offer of touristic destination**

Measure 12: Development of selective forms of tourism and building of basic infrastructure for development of new forms of touristic offer with priority of environment protection and maintainable development

Measure 13: Protection of natural, cultural and tradition heritage as basic resource for tourism development



Agriculture and tourism are two basic economy branches which can most rapidly develop, and which at the same time compete for the same space.

Good coordination of those activities can lead to high mutual benefit and profitability, so as the main goal of the project of development of the Municipality of Brinje the coordination of the development of agriculture and tourism is being imposed.

## **2.1. TOURISM - CULTURAL – SACRAL MONUMENTS**

On the area of the Municipality of Brinje persist all the preconditions for development of cultural, religious and agro tourism.

Basis for the development of cultural and religious tourism are cultural and religious monuments which are very numerous respect to other environments:

BRINJE – old town of Sokolac with chapel of the Holy Trinity (14.th c.) repair and reconstruction is in course

BRINJE – chapel of Saints Fabijan and Sebastijan (mid- 16th c.) – in 1993. an art conservation study of restoration and renovating of chapel on the ground of which the church is being renovated.

BRINJE (Rajkovići) Chapel of St. Vitus on the graveyard (14th c.)

BRINJE (Holjevići) – bridge – in 1998 repair and reconstruction performed

BRINJE – Parish St. Mary's church

BRINJE (Holjevci) - graveyard, St. Stipan's church

BRINJE - graveyard, St. Cross church

BRINJE – Eastern Orthodox church of Transfiguration

BRINJE – small chapel of St. Antun in the hamlet of Vučetići

BRINJSKA KAMENICA – church of Nativity of the Virgin Mary

JEZERANE – St. George church

KRIŽPOLJE – St. Cross parish church

LETINAC – parish church of St. Anthony of Padua facade restored in 1996.

LETINAC (Pađeni)- Holy Spirit church

LETINAC – small chapel of St. Roka in the hamlet of Pađeni

LIPICE – parish church of St. John the Baptist  
STAJNICA – St. Nicholas parish church  
STAJNICA (Petrovo Selo) – St. Peter and Paul church

### **Archeologic localities**

According to the data of the Administration for cultural inheritance protection, Conservatory department of Karlovac, the following archeologic localities on the area of the municipality of Brinje were registered:

1. Lipice-Brinje, prehistorical hill-fort
2. Surroundings of the old town of Sokolac in Brinje, prehistorical graveyard,
3. Sokolac, prehistorical hill-fort and medieval fortress,
4. Cave of Siničića, prehistorical locality,
5. Humac-Brinje, prehistorical hill-fort,
6. Pavlov Vrh-Stajnica, prehistorical hill-fort,
7. Land Vuković-Pernar, Stajnica, prehistorical tumul,
8. Žuta Lokva, ancient road.

The cited abundance of cultural and religious monuments is only a little bit or not at all valorized in the touristic and catering activity of the Municipality of Brinje.

In the first place it is necessary to find or found one organization which would be the holder of culture and religious tourism development. It could be the tourist community of travel agency which would in collaboration with other croatian agencies include the cultural monuments and the tourism of the Municipality of Brinje in the visit programme for Croatian and foreign tourists to Croatia.

In immediate connection with touristic organization there should be developed the agro tourism, trade and souvenir production, as well as catering closely linked to the above named monuments locations.

## **2.2. SPORT STRUCTURES**

Brinje – grass football field

Brinje – sports hall in the Elementary school

The cited sport structures must be restored and regularly maintained, in order to be in the function of sport and agro tourism, besides their basic function.

## **2.3. AGRO TOURISM DEVELOPMENT**

By agrotourism development it is meant stimulation of family farms which throughout the year offer ecologically pure products of Lika, meat, milk products, fruit and vegetables and accomodation services.

In winter season hunting tourism, Alpine skiing and Nordic skiing can be offered, whereas in the rest of the seasons can be offered hunting tourism, riding bicycles and hiking, as well as the religious tourism.

It is being prognosticated that the average family agro touristic farm will have private accomodation – rooms or suites with 10 beds, raising of 5 cows and 20 sheep, as well as production of domestic meat, cheese, fruit and vegetables.

It is also prognosticated that the number of registered agricultural farms in the Municipality of Brinje will rise from present 62 to 90 already in 2006, and from 2007. to 2010. it is prognosticated the increase of the argicultural farms number for 10 a year.

## **2.4. HOTEL OFFER DEVELOPMENT, SUITE OFFER DEVELOPMENT , DEVELOPMENT OF SUITE OFFER «UNDER CENTENNIAL ROOFS»**

Hotel offer development, suite offer development, development of suite offer «Under centennial roofs» must contain incentive measures for self-employment and development of small family and medium entrepreneurship in the tourism of the Municipality of Brinje.

Goals of the Municipality of Brinje tourism development are the following:

- Employment increase
- Development of small family and medium entrepreneurship
- Preventing of underground economy
- Building of new structures in conformity with modern market requirements
- Quality improvement with building of new contents
- Construction of professionally architectural shaped objects which are in conformity with the environment with their appearance and size
- Touristic season extension
- Income increasement

## **2.5. SPORT CONTENTS DEVELOPMENT, ORGANIZATION OF DAILY EXCURSIONS, SPORT EQUIPMENT RENT, ECOLOGY TOURISM, BUILDING OF WEEKEND HOUSING**

Development of sport contents ie expected through hunting in winter and summer, and in summer season is expected the developing of cycling, horse riding, dry roller-coaster, recreation hiking, use of promenades, tournaments of ball sports, football, basketball, handball, volleyball, tennis, etc. For cited ecologic and sport forms of tourism is required restoration and marking of promenades and cycle runs where could be visited cultural monuments and single autochthonous houses of Brinje with horse-riding possibility, with traditional way of cattle-breeding, wool processing, cheese and other domestic autochthonous agricultural products and services production.

In order to animate the guests, the tourist office and travel agencies are going to organize daily excursions to locations of cultural and sacral monuments, as well as to autochthonous family

farms and agro tourism structures. Hunting clubs of the Municipality of Brinje are also already organizing touristic tours of hunting grounds and have steady hunting tracks where the new guests in the Municipality of Brinje can be included.

With the development of sport contents, daily excursions and tours, it is necessary to give the services of sport equipment rental. The cited activities are going to proceed through the existing sport associations as well as through handicrafts and companies.

With the development of rustic tourism very quickly shall increase the demand for lands and locations suitable for construction of weekend cottages: Lučani Brinje, Hunters house near the lake Brinje, Jezerane, Križpolje, Umac brdo and Žuta Lokva.

Single locations in Brinje, Križopolje and Jezerane are already divided into plots and building of weekend cottages is possible right now, and the rest has to be parceled out.

For the purpose of stimulation of real estate demand and population settling in the Municipality of Brinje, it is being suggested the pilot-programme – building of 1 or 2 weekend cottages organized by the Municipality of Brinje. That would set in motion the construction of weekend cottages in the Municipality of Brinje in a similar way how the construction of weekend cottages in Gorski kotar started. The average price of building the wooden weekend cottage of 50 m<sup>2</sup> is 250,000 kn.

## **2.6. CATERING DEVELOPMENT**

Catering is very poorly developed in the Municipality of Brinje.

Holder of catering activities in Brinje is Sokolac d.o.o. (l.l.c.), hotel with 14 employees.

In the first place there is suggested the stimulation of the cited caterer for development and improvement of present service quality.

Besides, there are suggested incentive measures for foundation of new catering establishments with gastronomic offer, with possibility of accommodation – suites, with cow and horse farms, related with ecology and agro tourism:

The following incentive measures are being suggested:

- Abolition of local contribution and local rates for 5 years for new autochthonous catering establishments
- Refund of 50 % of income taxes from each autochthonous catering establishment through municipal subventions
- Credit financing of investments into catering and agro tourism through the contract of interest subsidy between the Municipality of Brinje and the business bank

### **Projects from touristic activities which realisation is of interest for the development of the Municipality of Brinje:**

Project name	Project promotor	Project location	Total investment
1. Restoration of the old town of Sokolac	Municipality of Brinje	Brinje	7,500,000 kn
2. Development of rustic tourism – widening of existing capacities	Borić Jure	Radotić selo	750,000 kn
3. Construction of rustic tourism and recreative horse riding establishment	Rukavina Tomislav	Brinje	3,450,000 kn
4. Construction of rustic and agro tourism establishment	Pavlak Josipa	Križ Kamenica	2,350,000 kn
5. Catering establishment– domestic autochthonous food	Draženović Mladen handicraft Bucó	Brinje	2,550,000 kn
6. Catering establishment – domestic autochthonous food bife Sokolac	Ana Marija Lokmer Binički	Brinje	1,830,000 kn
7. Health tourism – anti aging centre	Galetić Stefan	Brinje	2,750,000 kn

Details of above stated projects can be found by the professional services of the Municipality of Brinje.

### **3. INDUSTRY DEVELOPMENT – ENTREPRENEURIAL ZONES, WOOD INDUSTRY AND BOTTLED WATER PRODUCTION**

**Priorities and measures of entrepreneurship development from the outline of the Regional operative programme – ROP of the County of Lika and Senj :**

#### **PRIORITY 5: Creating conditions for fast development of entrepreneurship:**

Measure 14: Increase of institutional and financial support to the entrepreneurship development

Measure 15: Removing of administrative obstacles to the entrepreneurship development (fastening of the process of obtaining permits, opening of the one-stop shop, bringing physical plans of all the municipalities and towns and bringing detailed plans of environmental design of settlements)

Measure 16: Region marketing

Measure 17: Execution of market orientation improvement programme of small entrepreneurs

Measure 18: Construction and bringing into operation of entrepreneurial zones

Measure 19: Installing of trust and collaboration between the entrepreneurs and the local authorities

#### **PRIORITY 6: Company competitiveness increase**

Measure 20: Introduction of quality certificate

Measure 21: Introducing of new technologies and application of innovations by the production subjects

Measure 22: Foundation of cluster in the wood industry and in other economy branches

Measure 23: Activation of the role of the National park of Plitvička jezera and other national parks as holders of regional development



## **INDUSTRY**

Basic strategies of industry development are recommendation of measures and instruments, forming of hypothesis which are going to stimulate the entrepreneurs for export and high level of product financialization on the area of the Municipality of Brinje, especially in the activity of processing of wood as basic raw material.

On this ground should be set the necessary hypothesis (defining of final product, market, marketing, design, product development, brand, quality, personnel, instructional system and sector organizing) and the system of measures and instruments (relations with forestry, energy product price, ecology measures, investment funds functioning, law regulations) for export stimulation of the competitive final products.

### **3.1. ENTREPRENEURIAL ZONES**

#### **3.1.1. ENTREPRENEURIAL ZONE OF ŽUTA LOKVA**

There are 14.6 ha or 146,000 m<sup>2</sup> in Žuta Lokva on the outgoing knot of the motorway Split-Zagreb reserved for the Entrepreneurial zone.

The Entrepreneurial zone of Žuta Lokva is one of rare lands in the County of Lika and Senj which is completely built and equipped from the infrastructural point of view. The land is plane, there is no need for great investments in water supply system and sewage system, electric energy and lighting are installed, and nearby there is a high voltage electric energy installation.

The Entrepreneurial zone of Žuta Lokva is one of 3 zones in the area of the municipality which is going to be put first in function because it is situated on the very outgoing knot of the motorway Zagreb-Split and it has completely built infrastructure – ex Bechtel's headquarters.

The users of the zone are going to be the entrepreneurs of production and trade companies which supply the population, the agriculture and the tourists of the County of Lika and Senj and surrounding counties: of Zadar, of Rijeka and other parts of Croatia, with production and commercial, service and storage facilities.

### **3.1.2. RESIDENTIAL BUSINESS ZONE OF GLAVICA**

There are approximately 10 ha or 100,000 m<sup>2</sup> reserved for the zone, immediately on the outgoing knot of the motorway Split-Zagreb in Brinje.

The land of the zone is relatively plane. There is a necessity of investment in water supply and sewage system, installation of electric energy and lighting, as well as the road infrastructure.

In the residential business zone the following activities are foreseen:

- Handicraft and production activities
- Trade and storage
- Rendering services
- Maintenance activities

Residential business zone of Glavica is founded with the purpose of satisfying needs of residents and entrepreneurs, production and commercial companies, which supply the population, agriculture and tourists in the Municipality of Brinje and in the County of Lika and Senj.

The construction of the residential business zone of Glavica is going to follow independently of the development of the Zone of Žuta Lokva, because these zones have no equal development goals. The Zone of Glavica is a residential business zone in Brinje which is mostly related to the settlement infrastructure and development, whereas the zone of Žuta Lokva is related to the development of complex industrial and service capacities intended for wider market of Croatia and Europe.

### **3.1.3. ENTREPRENEURAL ZONE OF KRIŽPOLJE**

For the zone are reserved approximately 26.3 ha or 263,000 m<sup>2</sup> immediately by the motorway Split – Zagreb in Križpolje.

The land of the zone is relatively plane. There is a necessity of investment in water supply and sewage system, installation of electric energy and lighting, as well as the road infrastructure.

In the residential business zone the following activities are foreseen:

- industry
- handicraft and production activities
- trade and storage
- Rendering services
- Maintenance activities

Entrepreneurial zone of Križpolje is founded with similar goals as the zone of Žuta Lokva – to satisfy the needs of entrepreneurs, production and commercial companies which supply the population, agriculture and tourists of the County of Lika and Senj and surrounding counties: of Zadar, Rijeka and other parts of Croatia, with production and trade, service and storage facilities.

The development of the zone of Križpolje is going to follow after the zone of Žuta Lokva becomes too small for investor's demands.

A suggestion is given to approach to the construction of the zone of Križpolje only after the filling out of the zone of Žuta Lokva.

### **3.2. ECONOMY FACILITIES**

#### **Farm of Vodoteč**



The farm of Vodoteč is a very successful economy subject in the Municipality of Brinje. There are raised 3,200 head of cattle a year. Present business development should be only continued in the begun course and dynamics.

#### **Stone-pit of Žuta Lokva**



The stone-pit of Žuta Lokva emerged with the construction of the motorway Zagreb – Split and its basic function is currently stagnating. The transfer of the property from the state to the Municipality of Brinje is in progress.

It is suggested to keep developing on the area of the stone-pit:

- Activity of stone processing for construction of other traffic arteries and buildings, as well as
- New activity of constructional elements production.

### **Saw-mill of Brinje – property of Industrogradnja d.d.**



The saw-mill Industrogradnja – Indodrvo d.o.o. is in bankruptcy, but the saw-mill's land and real estates are property of Industrogradnja d.d. so the value of bankruptcy estate is relatively small.

In order to re-establish the activity of the saw-mill, it is necessary to solve the bankruptcy and the property on saw-mill. The unapid debt of the saw-mill for the local contribution amounts to approximately 500,000 kn, and there is a great amount of debt by the Industrogradnja d.d. towards the state. Therefore is suggested to start the negotiation with Industrogradnja d.d. of compensation of their debts and purchase and sale of the saw-mill facility by the state and the Municipality of Brinje. After solving of the property it is being suggested to publish an open competition for lease of the saw-mill.



## Two saw-mills in Jezerane



The saw-mills of Jezerane run the business very well, so the present business should be only continued in the begun course and dynamics.

### **Brinje – the old slaughterhouse**

It is being suggested to publish an open competition for re-establishing the activity of the old slaughterhouse of Brinje. Competition conditions should be especially elaborated because of the bad conditions of the cited facility.

### **Brinje – business space in Lovačka 1**

It is being suggested to publish an open competition for re-establishing the activity of the business space in Lovačka 1, Brinje. Competition conditions should be especially elaborated regarding the conditions of the cited facility.

### **Brinje – city market**



The city market of Brinje runs the business well, therefore the present business should only be continued in the begun course and dynamics. It is necessary to point out that the architecture of the city market of Brinje is unique and has the appearance of a rare medieval edifice – rustic market from the 14<sup>th</sup> c. It is suggested to protect the city market of Brinje as a historical edifice

and cultural monument, and to provide for the budget funds for its protection and regular maintenance.

### **Brinje – Cattle fair**

Cattle fair of Brinje runs business well, so the present business should be only continued in the begun course and dynamics.

### **Brinje – land of 6000 m<sup>2</sup> by the Community Health Centre**

For the cited area parceling out is suggested, as well as the open competition for selling of land for a residential and business purpose.

### **Brinje – residential and business purpose within the structure of the Community Health Centre 700 m<sup>2</sup>**



For the cited spaces there is suggested open selling competition for business and residential purpose.



### **Brinje – Trg admirala Janka Vukovića – memorial park in the municipal property**

It is being suggested an additional tidying up of the memorial park with exhibits (which can be exposed to the atmospheric agents) related to the history of Brinje. In such a way regular touristic visits to the memorial park and obligatory destination at the promenade and the cycle run are going to be enabled.

### **Križpolje – storage of 800 m<sup>2</sup>**



The storage at Križpolju is very suitable for consumer goods and alimentation products. It is suggested to give on lease to a larger department store which supplies or shall supply the population of the Municipality of Brinje.

### **Križpolje – land for residential and business construction**

It is being suggested the parceling out and selling for residential and business purposes and for weekend suites.

## **Jezerane – Rokina bezdan**

Source of natural mineral water – potential water bottling plant subterranean bore-hole 100m – the land is municipal property. On the cited source were carried out researches, but they still aren't complete, and it is not still defined whether the water is suitable for the bottling plant of spring or mineral water.

When the analysis results undoubtedly show that the bottling plant project is possible it is suggested to publish an international open competition of selling or lease of space for building up of bottling plant.

## **Projects from industrial-production activities whose realization is of interest for the development of the Municipality of Brinje:**

Project denomination	Project promotor	Project location	Total investment
1. Reconstruction of unclassified roads	Municipality of Brinje	Municipality of Brinje	2,000,000 kn
2. Water supply system Križ Kamenica Vodoteč	Municipality of Brinje	Križ Kamenica Vodoteč	7,000,000 kn
3. Construction of sewage system	Municipality of Brinje	Brinje	25,000,000 kn
4. Modernisation of the saw-mill of Brinje	Drvotradicija d.o.o.	Brinje	7,500,000 kn

Details of above stated projects can be found by the professional services of the Municipality of Brinje.

## **4. DEVELOPMENT OF FORESTRY AND HUNTING ECONOMY**

### **4.1. STRUCTURES OF FORESTRY AND HUNTING ECONOMY AND TOURISM**

On the area of the municipality of Brinje, and according to the data of the Bureau of economy of the County of Lika and Senj, three communal hunting-grounds were established of total area of 11,420 ha. Part of the communal area of the Municipality of Brinje embraces the proper hunting-ground No. IV/7-Mala Kapela and IX/7 - Krekovača. In the hunting grounds naturally inhabited by wild boars, deer, hares, pheasants, ducks and partridges. On the area of the Municipality of Brinje is not established a wildlife farm, and statal hunting-grounds are not yet leased.

#### **List of structures:**

Brinje – Hunters' house by the lake

Brinje – Škamnica – hunter's cottage

Jezerane – 3 structures of hunting economy and tourism – climbers' resting places

On the area of the Municipality of Brinje there are 5 hunting clubs:

- Hunting club Brinje
- Hunting club Kapela Jezerane
- Hunting club Jelen Vodoteč
- Hunting club Didla
- Hunting club Kapela

Lands and locations with possibilities of development of rustic tourism and building of weekend-cottages:

- Lučani Brinje
- Hunters' house by the lake Brinje
- Jezerane
- Križpolje
- Umac brdo
- Žuta Lokva

**Project from forestry and hunting economy whose realization is of interest for the development of the Municipality of Brinje:**

Project denomination	Project promotor	Project location	Total investment
1. Construction of wildlife hunting farm	Hunting club Brinje	Municipality of Brinje	500,000 kn

Details of above stated projects can be found by the professional services of the Municipality of Brinje.

## **5. DEVELOPMENT OF INTELLECTUAL, FINANCIAL AND OTHER SERVICES**

**Priorities and measures of entrepreneurship development from the outline of the Regional operative programme – ROP of the County of Lika and Senj 2005 - 2010:**

**PRIORITY 7: Increase of level of skills and knowledge of the population fit for work in the purpose of increase of their competitiveness on the labour market**

Measure 24: Carrying out of the re-training and upgrading programme and acquiring of qualification of labour force in the collaboration of private and public sector and increase of knowledge and skills of socially excluded groups (*adult literacy teaching*)

Measure 25: Connecting educational systems with economy with the purpose of improvement of practical aspects of teaching and labour force skills.

**PRIORITY 8: Society modernization, creating conditions for sustainable homecoming, as well as immigration of young families**

Measure 26: Development of institutional and absorption capacities of all the participant of regional development and partnership between them

Measure 27: Decrease of socially determined differences grounded on economic, health, national, religious, gender gap, and native characteristics (working out and implementation of equality between genders, and increment of public awareness and knowledge of *importance of tolerance, peace, human rights and its realization as well as building of collaborating relations*).

Measure 28: Creating and promotion of conditions for maintainable homecoming and immigration of young families

Measure 29: Improvement of health and social infrastructure and equipment, then strenghtening of extra-institutional health and social care

Measure 30: Promotion and carrying out of sport and recreative activities of citizens and carrying out of programme of physical and health culture for children and young people

Measure 31: Improvement of the infrastructure and equipment of the educational institutions

- contents adjustment to needs of the labour market

Measure 32: Significant institutional and financial support to the development of civil society

## **PRIORITY 9: Improvement of cultural offer and development of under-represented forms of culture**

Measure 33: Support to the programme development of institutional and extra-institutional culture and culture of youth

Measure 34: Preserve, restoration and putting in operation cultural, archeological and ethnological sights and locations

Measure 35: Computerization of institutions in culture through new technologies of communication and networking

**PRIORITY 10: Increase of local population quality of life applying the principle of sustainable development**

Measure 36: Construction of communal infrastructure

Measure 37: Establishment of monitoring system for adequate control over the quality of air, water and soil and international collaboration in the field of protection and control over the water quality

Measure 38: Work out and implementation of the programme of protection and sustainable wood management

Measure 39: Clearing of remaining mined areas, informing and education of danger of mines

Measure 40: Building of purification system for harmful emissions of industrial and other plants

Measure 41: Raise the training and technical equipment of local participants on importance of physical planning, decrease of harmful influences on the environment and ecological sustainability of the social and economic development.

Measure 42: Health quality increase and lengthening of life duration and quality of the individual and of the population through the programmes and the health-oriented campaigns

Development of intellectual and financial services appears as a necessary precondition for the total development of the Municipality of Brinje. It is of extreme importance to invest in the above cited services, because they are the main support to the development project.

Consultants' services have very important role in the education of residents, potential entrepreneurs. It is necessary to organize the education of outcoming consultants as well as education of employees of the Municipality of Brinje.

It is required the foundation of service where information of government supports and programmes, possibility of financing, and introduction of financial institutions could be obtained.

The assignment of the self-government local unit is to try to attract the financial institutions to its area in order to facilitate the communication and obtain the support for the development programme.

### **5.1. SCIENTIFIC AND TECHNOLOGICAL PARK OTOČAC - BRINJE**

With the development of the intellectual, financial, information, computer and other services, the City of Otočac and the Municipality of Brinje through their business zones in Otočac and Žuta Lokva can become an important croatian and international information centre, which will develop confluence, production, processing and sending of various business, technical, meteorological and other informations, various telemarketing services, introduction of informatical systems in bigger companies. For this purpose international channels for air and electronic connections are going to be established, satellite channels and stations are going to be used and specialized operative professional personnel created. This will fasten and rationalize the affairs also in the Business zones and increase the regions business rating.

The present world economy, where the most important economical advantage is the international competitiveness, which is increasingly displacing classic comparative advantages of production resources abundance and cheap production factors (work, capital, space), is grounded on continuous introduction of new products with increasing material, energy and work repressing in the final product and with increase of scientific and technological contents in the production processes. This is made possible by explosive widening of scientific and development-technological researches, integration of scientific activities and production sectors and accepting of modern criteria in the valuation of scientific work that is successful only the project of fundamental and applied research which ends with the creation of the new product or procedure which can be auspiciously placed on the market.



In conformity to such tendencies in the developed countries the so called scientific-technological parks are being established, where the fundamental and applied researches are directed towards faster development of new products, and smaller experimental companies are developing technological processes for new products with the direct help and control of scientific operators.

Inside of them the most important thing is rendering services of “business incubation” which should accelerate the creation of new local and foreign entrepreneurs. Those services are directed towards two directions: from one side it is helped the creation of new, scientifically intensive “risky” companies, and from the other side there are founded advisory “incubation” companies, which help in founding of new companies. A small number of entrepreneurs is founding “risky” companies.

"Incubation" companies formed of a small number of specialists render services by the foundation of new companies: they rent common spaces with small reference libraries, with equipment for reproducing and communicating, consulting rooms, render services of secretariat and translation, and besides give practical instructions to trial and beginner entrepreneurs of specific qualities of running a business of company in different branches and depending of a market condition. Finally, in case of need in the beginning they are offered strategic and tactical management until the company becomes established. Such companies exist in many cities of the U.S.A., Canada and western Europe, and are mostly concentrated in scientific-technology centers.

Famous scientific-technology parks of the world are: Silicon Valley (California), Road 128 in Boston, Massachusetts, Research Triangle Park in North Carolina, Cambridge in Great Britain, Cucubao in Japan (near Tokyo), Maylan near Grenoble and Sophia Antipolis near Nica in France, Louvain in Belgium, Kistl in Sweden, etc. It is calculated that there are more than 150 in the United States, 28 in Great Britain, 20 in France and a smaller number in Japan, Germany and Holland.

Parks are given a financial support of their countries, and the local authorities and the private sector bear the main burden.

Their construction lasts for 10-15 years, and a big part ends with failure (in the States about 50%). They have given a significant contribution to introducing of high technologies,

development of scientifically intensive industries and raising of international competitiveness of single countries in determined industrial and informatics branches.

Countries in development which would like to increase the speed of their technological and industrial development, in recent years increasingly comprehend that the foundation of scientific-technological parks makes possible the sustainable development.

Related to it some of the industrial-export zones of countries in development have oriented themselves in order to develop scientific-technological parks, connecting in such a manner the interest of their own countries to increase their technological development and the interest of world corporations to give in these branches the emphasis to sophisticated character modern industries. First park of a kind was founded on Taiwan (Hsinchu Science Based Industrial Park 1980), and the second is the Scientific town Daedak near Daejon in South Korea, which became the focal point of scientific-research support to high technology new industries.

Scientific-technological park can not be built in a short term and without help of a big university centre like Zagreb or Rijeka. In conformity with a clear long-term conception it should become an organized space where are concentrated hi-tech companies (informatics, electronics, production of special machines and instruments, biotechnology, robotics and flexible technologies, marine and sub-sea technology) and scientific research institutes, laboratories and faculties. Their common goal is to develop high technologies, technological innovations and new products and procedures in order to achieve increasing profit by placing the product on domestic and especially on the world market.

In the first stage of park development the concept and the implemental project are brought, investments in supply and land improvement, construction of business and research utilities and necessary communal infrastructures and various services companies are being founded. The prevalent part of funds for this purposes is provided by the state and the municipality.

In the second stage of park development domestic and foreign modern industry and especially small scientifically intensive and “risky” companies are attracted; they work on conquest of new technologies and products and their placing on market with help of scientific and development institutions.

The park can bring better results even after the “incubation” time which lasts for at least 10 years. The park is going to be successful if the following conditions are satisfied: high level and good research and personnel education structure at least in one branch of high technology, attractive area of equipment development, social infrastructure and progressive climate, and especially active group of scientific and economy workers who know how to carry out the complete project.

**The scientific-technological park in the business zones of Otočac and Žuta Lokva should start at once using the economic advantages of the business zone and the tax benefits of the area of special state welfare and become an important component of the complex total region development.**

## **5.2. UNUSED SOCIAL FACILITIES**

### **Brinje – deserted cinema**

The Municipality of Brinje is being suggested to renovate the cited space for the function of rustic tourism and farm development, respectively in the cited space is suggested to set in order of social spaces for Association of artisans and entrepreneurs of the Municipality of Brinje, touristic association or travel agency, other social organizations and university extension.

### **Križpolje – school building – 400 m2**



The Municipality of Brinje is being suggested to set in order the cited space also in function of rustic tourism development, respectively to organize in the cited space the museum of old paintings, of old weapons and agricultural tools from the past of the locality of Križpolje, and to arrange in the old school building social spaces for artisans, social organizations and residents of Križpolje.

### **Jezerane – school building – 350 m2**



The Municipality of Brinje is being suggested to set in order the cited space also in function of rustic tourism development, respectively to organize in the cited space the museum of old paintings, of old weapons and agricultural tools from the past of the locality of Jezerane, and to arrange in the old school building social spaces for artisans, social organizations and residents of Jezerane.



### **Jezerane – local committee near the school**



It is being suggested further use of the cited space for needs of the local committee, and for social spaces of touristic association or travel agency.