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GUIDELINES

for the development of
business opportunities
in Kiseljak Community

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Abbreviations List

LC	Local community
TCF	Tuzla Community Foundation
FI PDI	Federal Institute of Pension and Disability Insurance
AH	agricultural holding
AC	agricultural cooperative
SME	small and medium-sized enterprises

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I Introduction

Considering the tourism potential of the Kiseljak Local Community (LC), which residents see as vital for local economic growth and job creation, along with the diverse educational and employment competencies of its human resources and the current entrepreneurial spirit and capacity, the Tuzla Community Foundation (TCF) has engaged external experts. These specialists, who have experience in economic and entrepreneurial development, are contributing to the project „Inclusive development of the Kiseljak community, to improve the socio-economic aspect of life of citizens, especially Roma“. This project is supported financially by the Freudenberg Foundation and the Federal Ministry for Economic Cooperation and Development. Namely, the analysis of the situation and effects of development interventions carried out by the TCF in the LC of Kiseljak (City of Tuzla) in cooperation with citizens, civil society organizations and relevant services throughout the period of 2018 to 2022, within the strategic directions of document one, two, four and five of “Strategic plan for the development of the LC Kiseljak 2018-2026“, identified the need for additional interventions within the third strategic direction “To launch new employment programs that rely on the tourism and agricultural potentials of Kiseljak, and that create opportunities for entrepreneurial activities, employment and self-employment of citizens of Kiseljak“. In relation to this, through the activities on the preparation of the document “Guidelines for the Development of Business Opportunities in the LC Kiseljak Area“, a comprehensive insight into the economic potential at the community level was made and placed in the context of economic development of the wider community, especially from the aspect of the development of tourism, agriculture and overall entrepreneurship in the area of LC Kiseljak.

The local community of Kiseljak is one of the 40 local communities in the City of Tuzla, and although it is considered a rural area of the city, it is only 12 km away from the center. What makes this local community distinctive is its multiethnicity and large population of residents who belong to the Roma community. The inhabitants of this local community are actively involved in activities to solve numerous problems (environmental protection, illegal construction on the shores of Lake Modrac, population departure...) that have been

accumulating in this local community for years. Regarding the current socio-economic conditions in LC Kiseljak, both residents and experts agree that the community is currently overlooked, yet holds significant potential for socio-economic growth. To realize this potential, it is crucial to engage various stakeholders to substantially promote the development of LC Kiseljak. Given the rising trend of emigration from this area, highlighted by a significant population decline from the 1991 census to the 2013 census and the current population being about 50% of the pre-war numbers, there is a clear need to enhance the economic prospects of the Kiseljak community. Addressing this issue is crucial to halting emigration, improving the social conditions of residents, and encouraging their return. To drive significant economic activity, it is essential to address various unresolved issues (such as legal and infrastructural challenges). However, the primary aim of drafting these guidelines is to explore the potential for developing business opportunities in LC Kiseljak under current conditions and to identify activities that could support local businesses.

Tuzla, May/June, 2023

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II Methodology

To address the project task, a methodology has been developed that allows for the application of a standard scientific approach to the creation of strategic documents, including the document "Guidelines for the Development of Business Opportunities in the LC Kiseljak Area."

Implementation of the project task implies the realization of activities through two phases:

- analysis of the state and available documents
- development of guidelines and recommendations

The following activities are expected in the first phase:

- Collecting available statistical data
- Gathering relevant strategic and other documents
- Visiting LC Kiseljak
- Meetings with representatives of LC Kiseljak
- Analyzing collected data
- Preparatory activities for conducting research (creating a survey questionnaire, testing the questionnaire, training volunteers for surveying)
- Conducting primary research in the LC Kiseljak area
- Analyzing data obtained from the primary research
- Organizing and holding focus groups with the residents of LC Kiseljak
- Performing SWOT and PESTEL analyses
- Analyzing the regulatory framework and business environment in the City of Tuzla and Tuzla Canton

The primary field research in LC Kiseljak was designed as a survey utilizing a questionnaire for data collection. The research was planned on a sample of 200 inhabitants, which in relation to the population (correct and realistic number of inhabitants who currently live in the LC Kiseljak - cca. 1800 people) represents a sufficient sample. Data processing was based on 151

completed questionnaires from residents of LC Kiseljak. The questionnaire was structured to include not only the respondents' profiles but also a dedicated section for evaluating business opportunities in the LC Kiseljak area. This section focused on identifying missing products and services and gauging the potential purchasing power of residents to buy these products or services if they were available. The third section of the questionnaire explored entrepreneurial potential, including respondents' attitudes toward entrepreneurship, their willingness to become entrepreneurs, and the resources they currently have or need to start a business.

According to the planned methodology, the following focus groups were conducted:

1. Focus group with population engaged in agriculture in LC Kiseljak, which was held on April 26, 2023
2. Focus group with women from the area of LC Kiseljak, which was held on April 26, 2023
3. Focus group with young people from the area of LC Kiseljak, which was held on May 3, 2023
4. Focus group with persons engaged in informal treatment of secondary raw materials held on May 3, 2023.

A total of 38 residents from these population categories participated in the focus groups. The participants actively, openly, and constructively shared information about the current situation, challenges, and problems, as well as provided suggestions for improving conditions in LC Kiseljak. They particularly focused on the potentials explored in this study, such as agriculture, tourism, and recycling and collection of secondary raw materials.

Based on the obtained data and research results, identified opportunities, and characteristics of the general external environment, the following activities are planned for the next phase:

- Development of a potential matrix
- Proposal of guidelines and activities for the development of business opportunities in LC Kiseljak.

III Geographical, infrastructural and other characteristics of the LC Kiseljak

The local community of Kiseljak belongs to the City of Tuzla and is one of the 40 local communities in the area. Geographically, this community is located in the southwestern part of the City of Tuzla and covers an area of 346 hectares. It represents a rural area of the city, situated 12 km from the city center. The local community is large in terms of area and borders the towns of Lukavac and Živinice, and is located near Lake Modrac. It is connected by road through the settlement of Husino to the M18 main road, which is part of the European International Route E762. A railway line also runs through LC Kiseljak, which contributed to the development of the settlement before the war.

According to available statistical data, in 2006 there were 4,770 residents living in 954 households. Data from the 2013 Census indicate that 3,194 residents live in the populated areas of LC Kiseljak and the surrounding areas of the City of Tuzla. However, the voter registration list for this local community shows 2,553 registered adult citizens. Informal sources suggest that the current number of residents may be lower than the official statistics due to emigration, with the estimated number being around 1,500.

Regarding the ethnic composition of the population, statistical data indicate that it primarily consists of Bosniaks, Croats, and Roma. The gender distribution is nearly balanced, with almost equal numbers of women and men.



Figure 1. Spatial Position of LC Kiseljak (Source: Analysis of the State of Illegal Dumpsites in LC Kiseljak)

Public infrastructure in LC Kiseljak ¹

Given the location of the local community and its distance from the city center, it is connected to the urban city area via a local road that links to the M-18 route in the settlement of Husino. There is significant dissatisfaction among residents with the quality of the road infrastructure, emphasizing the need for repairs, modernization, and construction that adhere to safety regulations for all traffic participants. Comprehensive road infrastructure repair is essential for initiating the development of the local community and attracting potential investors to this part of the city.

The local community features a newly constructed Community Center built by TCF in partnership with the City of Tuzla, which offers various services to residents (civil registry office, library, toy library, etc.) as well as space for workshops, educational activities, and other events that enrich community life. Additionally, there are a few buildings from the Austro-Hungarian period owned by the city, which are mostly in poor condition, dilapidated, and neglected. Without renovation, these buildings cannot meet the needs of the local community.



Figure 2. Community Center Kiseljak

The local community is supplied with water, electricity, and telecommunications. When it comes to water supply infrastructure, additional investments are needed to modernize the

¹Proposal of Development Plan LC Kiseljak with Action Plan for the period 2017-2026, City of Tuzla and Council LC Kiseljak, page 10.

infrastructure and establish a network that meets the needs of the community both now and in the future. Also, the community has a reliable power grid that meets its continuous electricity needs. However, LC Kiseljak is not fully connected to the public sewage system. The city administration has carried out partial projects with the help of international donors to upgrade parts of the sewerage network. A wastewater treatment facility has been constructed to process fecal wastewater from part of the community. To address the ecological issues, future investments in sewerage infrastructure are necessary, especially if there is an effort to promote tourism development in the area.

In LC Kiseljak, there are several drinking water sources, including Studenac, Palavrička water, Lještak, Stubo, Poljana, Vručaki, and Pašići. These sources are endangered by many illegal dumpsites, which compromise the quality and safety of the water for the population, either directly or through groundwater contamination. Additionally, LC Kiseljak is known for its mineral water source, Kiseljak, which is extracted from two drinking fountains in the center of LC. However, only one fountain is safe for use, while the other is prohibited due to water contamination from rainwater and other waste.

Near the water source is a devastated area where a campsite once existed. The campsite was renovated but subsequently completely destroyed. Despite this, it represents a potential opportunity for the development of this local community with additional investments.

The Roma Settlement of Kiseljak is geographically located in the area of the local community Kiseljak. This settlement covers a smaller part of LC Kiseljak and consists of four smaller neighborhoods: "Jezero, Bankerova, Pruga 1, Pruga 2". The history of the Roma Settlement of Kiseljak dates back up to 100 years. Due to mass migrations caused by the wartime and post-war events of World War I, a few Roma families from surrounding towns found refuge in what is now the Kiseljak settlement. To this day, it has grown to over 70 residential buildings and 373 residents.²

²Social Map of the Roma Settlement LC Kiseljak, Tuzla, Social Work Center Tuzla, 2018.

IV Business environment in the area of the LC Kiseljak

From an economic perspective, LC Kiseljak has potential for tourism development, considering that about 20 years ago, this community thrived on tourism. Today, due to the pollution of Lake Modrac, illegal construction on the shores of Lake Modrac, destroyed infrastructure necessary for tourism, and the lack of a systematic approach to development, the tourism potential has been neglected and completely underutilized.

Employment and unemployment

The unemployment rate among the residents of Kiseljak is high. It is unquestionably higher than the overall unemployment rate for the City of Tuzla, which was 29.4% in 2021, considering the increased number of unemployed Roma individuals living in Kiseljak.

Most of the employed residents of LC Kiseljak work in private companies, mostly for minimum wage, and outside of Kiseljak. A smaller number of residents are employed in the Kiseljak primary school, as well as a few local businesses (market, kiosk, betting shop, store, post office, and clinic). According to the data from the Development Plan for LC Kiseljak with the Action Plan for the period 2017-2026, which pertains to the Roma Settlement of Kiseljak, a total of 31 households make a living from collecting secondary raw materials, 7 households live from occasional day labor, 9 households live from funds provided by the Pension and Disability Insurance Fund (PIO), and 15 households live from earnings through employment. Additionally, 7 households live from disability benefits.

If we consider only the Roma Settlement of Kiseljak, residents resort to alternative means of earning to ensure a minimum standard of living. Alternative means of subsistence include: "collecting scrap metal and other secondary raw materials," "day labor," "assistance from relatives," and often "begging." Out of a total of 99 surveyed families, 32 or 32.3% are supported by "collecting secondary raw materials," 30 or 30.3% secure their livelihood through "occasional day labor," 5 or 5% are supported through "permanent employment," and 5 or 5% through "temporary employment." In total, 16 or 16% of families are supported

by "pension benefits," 4 or 4% are supported by "seasonal work during the summer," 1 or 1% of families are "supported by family assistance," 2 or 2% are supported by "begging," and 3 or 3% of families did not provide an answer. Regarding the total monthly financial income, it averages 132.27 BAM per family.³

According to previous data, a significant portion of household income in LC Kiseljak comes from collecting secondary raw materials. Specifically, around thirty Roma families in LC Kiseljak earn their household income in this way. They gather waste, which they then sort, clean, and offer for sale to buyers, sometimes working up to 16 hours a day during the season. Most of those involved in collecting secondary raw materials are Roma men with little or no education, for whom this is the only source of income. The law does not classify this type of work as illegal, provided that they adhere to legal restrictions by not collecting secondary raw materials from containers owned by the JP "Komunalac" (Public Utility Company Komunalac).

In the past, TCF has provided free professional advice and financial support to improve job conditions and safety during the separation of raw materials for this category of residents, aiming to enhance employability, protect the environment, and develop the local community. The strong interest shown by residents of LC Kiseljak in this type of support is evidence that they are aware of the need for increased safety, the necessity of organizing the yards where they conduct sorting, and the importance of responsible waste disposal practices.

Agriculture

A significant number of residents in LC Kiseljak engage in agriculture, but due to the reduced local market size resulting from population migration, this number is decreasing, or the residents primarily grow agricultural products for their own needs. The reduced market size is also indicated by the fact that, according to a conclusion drawn from research conducted in 2017 for the purpose of creating the Social Map of the Roma Settlement of Kiseljak, 42% of families "left their home once or more times" in search of asylum in European Union

³ Social Map of the Roma Settlement of Kiseljak, Social Work Center Tuzla, page 31.

countries.

According to data from the City of Tuzla's Department for Economic Development and Entrepreneurship, in 2022, a total of 44 agricultural holdings were registered in the LC Kiseljak area, with a total of 6,008 square meters of arable land, mostly consisting of meadows. Agricultural holdings in the LC Kiseljak area primarily engage in greenhouse production, outdoor vegetable cultivation, dairy farming, beekeeping, and crop farming. Of the 44 registered agricultural holdings in the LC Kiseljak area in 2022, 4 holdings received financial support totaling 2,650.25 BAM, while an additional 3 recipients also received financial support amounting to 812.55 BAM.

The LC Kiseljak area has a well-established milk collection station, with procurement effectively managed by AC Gračanka from Gračanica, offering favorable conditions and a dependable partnership. Nevertheless, farmers in the focus group highlighted the necessity of raising the milk purchase price to sustain their agricultural operations.

Self-employed activities

Based on information from the relevant City Department, 63 sole proprietorships and crafts have been registered in the LC Kiseljak area from 1988 to today, with 44 of them having been dissolved or closed. Two craftsmen in the primary trade were registered in 2021 and 2022, and it is encouraging to note that they remain active, including an additional business registered in 2023 related to traditional excavation crafts. The structure of active businesses (crafts) is shown in Table 1.

Table 1. Overview of Active Sole Proprietorships and Crafts in the LC Kiseljak Area

Business activity		Number	
1.	Commercial activities	9	45%
2.	Service activities	7	35%
3.	Manufacturing activities	4	20%

TOTAL	20	100%
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In addition to the predominant commercial activities in the LC Kiseljak area (45%), active businesses also include a hair salon, a carpentry workshop, taxi services, and other activities that undoubtedly enhance the quality of life in the area.

Employment support

In efforts to enhance opportunities for hard-to-employ groups, it is noteworthy that the City Council of Tuzla approved the Tuzla City Action Plan for Roma 2018-2021, which addressed five key priority areas, including employment. One strategic goal was focused on the employment of Roma, specifically Strategic Goal 2: "Improving Employment and Self-Employment of Roma," with program activities including: Program 1 – Programs to Promote Employment of Roma and Program 2 – Programs to Increase Employability and Self-Employment of Roma. According to the Tuzla City Action Plan for Roma for the 2023-2026 period, regarding the implementation of the aforementioned programs, several projects aimed at empowering and educating Roma and Romani women were implemented in the previous planning period, benefiting over 150 young Roma and Romani women. Furthermore, data shows that one craft business was started and seven Romani women launched small businesses. During the implementation of the Action Plan, a handbook/guide for active job searching was created to enhance their knowledge on writing resumes and preparing for and attending job interviews. Twelve life skills workshops were held, mostly in the Kiseljak settlement, and thanks to this support, 30 young Roma successfully completed the workshop cycles and further developed their life skills.

The City of Tuzla has drafted the Action Plan for Roma for the period 2023-2026, which, among other things, defines the Goal of Improving Employment and Self-Employment of Roma men and women with two measures:

Measure 1: Encouraging Employment and Employability of Roma men and women

Measure 2: Encouraging the Employment of Roma men and women in the Public Sector

Support for Starting and Developing Businesses in the LC Kiseljak Area

To improve the business development environment and reduce unemployment by providing incentives for the registration of sole proprietorships (commercial, hospitality, and craft activities) in the City of Tuzla, the City Council of Tuzla adopted a Decision in 2022 regarding the temporary exemption from paying the administrative fee for issuing permits for the registration of all types of sole proprietorships in the City of Tuzla for the year 2023. Under this Decision, residents of Tuzla, including those from LC Kiseljak, who apply to the City of Tuzla's Department for Economic Development, Entrepreneurship, and Agriculture for a sole proprietorship permit between January 4, 2023, and December 31, 2023, will not have to pay the administrative fee required by the Decision on Administrative Fees and the Tariff of Municipal Administrative Fees. ("Official Gazette of the Tuzla Municipality," nos. 7/12, 8/12, 10/19, and 6/21) in full.

The Safe Start Program is an annual initiative implemented by the City of Tuzla, with an increased scope and funding announced for 2023. In 2022, a Public Call was issued for participation in the "Safe Start" program through two support lines: (1) Support for sole proprietorships in the primary occupation and newly registered businesses in 2022 in the City of Tuzla, and (2) Support for sole proprietorships in the primary occupation and businesses registered in 2021 in the City of Tuzla, with the following available forms of support: a) Reimbursement/financing of mandatory contributions for pension insurance, health insurance, and unemployment insurance for owners of newly registered sole proprietorships in 2022, for obligations from the registration of the business until December 31, 2022, up to a maximum of 2,500.00 BAM; and for owners of sole proprietorships registered in 2021, for obligations from January 1, 2022, to December 31, 2022, up to a maximum of 1,500.00 BAM. b) Co-financing of the purchase of necessary equipment and working materials for registered entities up to 49% of the value of the purchased equipment, for sole proprietorships and businesses newly registered in 2022, up to a maximum of 2,500.00 BAM; and for sole

proprietorships and businesses registered in 2021, up to 1,500.00 BAM (equipment must be new, unused, and purchased in 2022). c) Co-financing up to 50% of the rent for business premises where the entity conducts its registered activity, for sole proprietorships and businesses newly registered in 2022, for obligations from registration until December 31, 2022, up to a maximum of 2,500.00 BAM; and for sole proprietorships and businesses registered in 2021, for obligations from January 1, 2022, to December 31, 2022, up to a maximum of 1,500.00 BAM. d) Co-financing/financing of business service costs (accounting, legal, marketing, IT, financial services, etc.), for sole proprietorships and businesses newly registered in 2022, for obligations from registration until December 31, 2022, up to a maximum of 2,500.00 BAM; and for sole proprietorships and businesses registered in 2021, for obligations from January 1, 2022, to December 31, 2022, up to a maximum of 1,500.00 BAM.

Applicants who are young people aged 18-35 and/or women are eligible for additional benefits, with increased amounts of individual and total support. The increases are 10% for young applicants aged 18-35 and 5% for female applicants. These increases are cumulative if both criteria are met.

Additionally, the Ministry of Economy of the Tuzla Canton offers special programs for business establishment and development through the Support for Canton Development program, the Federal Ministry of Development, Entrepreneurship, and Crafts through the Transfer for SME Development program, as well as other relevant ministries whose funds potential beneficiaries from the LC Kiseljak area can apply for.

Since 2017, the City of Tuzla has had an Office for Entrepreneurs, where current and prospective entrepreneurs can seek advice, exchange ideas, and receive expert assistance with all procedures handled by the City Administration of Tuzla, especially regarding business venture or craft registration, which has been significantly improved by the adoption of the new Crafts Act of the Federation of Bosnia and Herzegovina ("Official Gazette of FBiH," no. 75/2021).

Since 2019, TCF has established a special Entrepreneurship Development Fund aimed at providing financial support for entrepreneurial initiatives and projects aimed at improving the entrepreneurial skills of citizens to increase employability and self-employment. Support from this fund can be directed towards starting and enhancing income-generating activities for households and initiating and improving small start-up businesses in the Tuzla Canton. The fund's goal is to create conditions for the employment and self-employment of unemployed individuals by strengthening their entrepreneurial skills, enabling them to start small businesses and develop household income-generating activities. Additionally, TCF has launched a special program to strengthen entrepreneurship in LC Kiseljak, which includes a one-month training in entrepreneurship and business planning, mentoring support, and financial support up to 3,500 BAM for candidates engaged in unregistered household income activities (livestock and agriculture) or up to 5,000 BAM for starting a registered business activity. In the LC Kiseljak area, from 2019 to 2023, TCF financially supported a total of 51 income-generating activities in livestock and greenhouse production, 14 projects related to the collection and treatment of secondary raw materials, and 2 supports for starting a registered business activity.

In the City of Tuzla area, including LC Kiseljak, there are also entrepreneurship development support programs available through the IMPAKT Incubator of business ideas, the Entrepreneurship Support Program through business idea development in the city of Tuzla via ILO and CEFÉ programs. These programs include entrepreneurial training, financial support, and mentorship for existing and potential entrepreneurs.

V Analysis of planning documents for the LC Kiseljak area

For the purposes of creating an economic study of the development of LC Kiseljak, the following planning documents that influence or may influence the development of LC Kiseljak were analyzed: Spatial Plan of the City of Tuzla until 2030, Spatial Plan of the Area with Special Features of the Modrac Accumulation Basin for the period 2016-2036, Development Strategy of the City of Tuzla until 2026, Guidelines for Tourism Development in Tuzla Municipality, Guidelines for Rural Development in Tuzla Municipality, Land Use Value Study for the City of

Tuzla, Development Plan of LC Kiseljak with the Action Plan for the period 2017-2026, and the Study by PC Roads of the Federation of Bosnia and Herzegovina on Improvement of the connection between Tuzla and Sarajevo through the construction of the M18 Šićki Brod – Đurđevik section.

According to the Spatial Plan of the Area with Special Features of the Modrac Accumulation Basin for the period 2016-2036, five "focal points" have been identified — settlements that exhibit high potential for development and spatial cohesion, whose impact is noticeable and expected to extend over a much larger area than the settlement itself. One of these points is "Development focal point Kiseljak," which would be connected to other focal points (Prokosovići, Turija, Poljice, Šerići) via a pedestrian-bicycle path around the edge of the accumulation, which would have a significant impact on tourism.

The Spatial Plan for the Modrac Lake area includes the establishment of sports and recreational facilities. The plan envisions the development of various amenities on both land and water. This involves constructing a pedestrian and bicycle path around the lake's perimeter and creating areas for visitor stays and recreational activities. A future multifunctional platform is planned on the embankment near the delta of the Spreča River to address environmental concerns. This would create opportunities for a zone dedicated to sports and recreation on both land and water, including the establishment of Olympic-style rowing lanes extending from the Spreča River's confluence with Modrac to the multifunctional platform. The plan also requires consideration of appropriate infrastructure development. Some existing facilities, such as the demolished international youth camp and two destroyed hotels, previously served similar purposes. These will need thorough renovation and expansion, with a focus on youth tourism, sports tourism, and wellness tourism.

The implementation of the previously mentioned Spatial Plan for the Modrac Lake area has not progressed since its adoption due to challenging circumstances imposed by the Water Law of the Federation of BiH⁴, and the Law on the Protection of the Modrac Reservoir⁵.

⁴ Official Gazette of the Federation of BiH 70/06

⁵ Official Gazette of Tuzla Canton 05/06

Specifically, federal regulations under Article 7, Paragraph 3, define temporary protection for public drinking water supply for water bodies, including the shoreline zone of 5 meters width for surface waters of Category II, which includes the Modrac Lake reservoir. According to the Tuzla Canton regulation, Article 2 specifies that the reservoir's shoreline is a land strip 30 meters wide, measured from the projected maximum water level in the reservoir, taking the highest flood level from 2014 as the reference. The Cantonal regulation, Article 7, Paragraph 1, prohibits various activities to achieve the goals of improving and preserving water quality. This includes bans on the construction of tourist settlements and camps, sports and recreational facilities, commercial and similar buildings, hospitality establishments, residential and vacation homes, and other economic activities.

For this reason, the measures defined in the Spatial Plan for the Modrac Lake area have remained merely a dead letter on paper. According to informal data from the Cantonal Ministry of Agriculture, Water Management, and Forestry, a request was previously submitted by a private entity for the construction of sports fields in the city of Živinice, which is adjacent to Modrac Lake. This request was denied due to these legal restrictions. All economic and other activities taking place along the shores of Modrac Lake can be considered illegal due to the inability to obtain water use permits from the relevant ministries.

An additional indicator is that the Tuzla Canton Development Strategy for 2021-2027, which also oversees the implementation of the Spatial Plan for the Modrac Lake area, includes only project initiatives for protecting the water area through the construction of a sewage system for municipalities/cities adjacent to this reservoir and the rehabilitation of the dam at Modrac Lake. This development document does not include any projects related to implementing other measures listed in the Spatial Plan of the Area with Special Features of the Modrac Accumulation Basin.

Agricultural and construction land

Kiseljak has a substantial amount of high-quality agricultural land classified as Agrozone I, which provides a solid foundation for agricultural production. Some households are already

engaged in agriculture. According to available data, 118 hectares fall into the II or III quality category of land, which are very high-quality, mostly flat lands suitable for vegetable, fruit, and cereal production. These lands are also suitable for both indoor and outdoor agricultural production. Over 255 hectares fall into the IV quality category, which are also good for agricultural production but often have sloped terrain or high groundwater levels near Modrac Lake. These lands are favorable for agricultural use, with the possibility of requiring specific technical measures for land preparation. Additionally, there is significant forested land, covering over 439 hectares, particularly along the shore of Modrac Lake.

Similarly, Kiseljak is acknowledged as one of the five local communities in Tuzla with the largest areas of industrial construction land outside the urban area, designated as construction Zone I. This includes 85 hectares of land categorized by the Tuzla City Spatial Plan until 2030 as industrial construction land for new economic zones within Tuzla. The land includes industrial construction complexes in the Poljana neighborhood, covering 48.14 hectares, and in the Ševar neighborhood, covering 37.03 hectares (where there is already an existing industrial zone of 43.66 hectares)⁶.

The land potential for industrial construction is certainly a significant factor for developing economic or business zones, particularly with the anticipated development of transportation infrastructure, such as the Tuzla–Đurđevik expressway, which aims to connect Tuzla with Sarajevo and potentially with the Y-branch of the Vc Corridor motorway. This concept involves the development of green business zones, an area where the City of Tuzla already has positive experience, for example, with the establishment of the Kreka North Business Zone. For this zone, the City of Tuzla has developed a feasibility study and has so far invested over 1 million BAM in infrastructure development (the Ministry of Economy of Tuzla Canton has also financially supported the infrastructure development in this business zone).

The project for establishing such zones would be led by the City of Tuzla in collaboration with LC Kiseljak and neighboring local communities. This would include the construction of road

⁶ [Spatial Plan of the City of Tuzla 2010-2030](#)

infrastructure, water supply and wastewater disposal systems, roadways within the zone, and public lighting, in cooperation with telecommunications operators and EPBiH (Public Enterprise Electric Utility of Bosnia and Herzegovina) to provide telecommunications and electrical services, in line with the needs of private companies in these zones. By developing business zones and infrastructure, favorable access would be provided to investors, enabling them to use the land in the zone for new investments aimed at creating new jobs. This approach would enhance employment opportunities for the local population in LC Kiseljak and neighboring local communities.

According to the Spatial Plan of the City of Tuzla until 2030, the development of several new economic zones is planned, including the future development area of Poljana West in LC Kiseljak, where there has previously been little economic activity. However, it is important to highlight that the lack of traffic infrastructure poses a problem for economic development. For example, some investors who own land in Bosanska Poljana, such as FIS d.o.o. and others, are currently unable to obtain approval for connections to the main road due to insufficient conditions. This situation has halted their planned investments in the construction and utilization of business facilities.

To address this, it is necessary to build a modern roundabout and upgrade the section of the road from Šiški Brod to Husino, which would enable connections for these investors' parcels. This would stimulate the planned investments and create more job opportunities, benefiting the residents of LC Kiseljak. The responsibility for modernizing the road infrastructure lies with JP Ceste Federacije BiH (Public Enterprise Roads of FBiH), which, in partnership with the Federal Government of BiH, the Government of Tuzla Canton, and the City of Tuzla, needs to resolve this long-standing issue.

The planned route for the southern city bypass, which would be classified as a local road within the existing road network, would create conditions for the development of the Kiseljak urban area. This would give Kiseljak a specific advantage compared to its current characteristics and location within the City of Tuzla. Developing a high-quality connection to the planned fast road routes would support the urban development of this area, which already has significant natural resources, including a mineral water spring and the natural

heritage of the Modrac Lake shoreline. These features provide the foundation for further development of recreation and tourism in this part of the City of Tuzla.

The shore of Lake Modrac

Kiseljak encompasses part of the shoreline of Modrac Lake, estimated to be about 1,200 meters long. Along the shore, there is also a very rich forested area. This represents another potential for economic development through various forms of sports, recreation, and weekend tourism.

However, it is also important to consider that an unregulated environment in the LC Kiseljak area could be a serious obstacle to the development of tourism in this region.

An additional feature that must be considered is that a significant portion of the forest and agricultural land is classified as public or social property, which restricts its use and management due to its status as state-owned property. This is particularly relevant to the forested land along the Modrac Lake shoreline. For example, a forested strip of nearly 54 hectares along the lake's accumulation on the LC Kiseljak side is owned by the Forest Industry Company Tuzla, which is social property (Municipality of Tuzla, KO Kiseljak, parcel number 1258). In this case, the City of Tuzla, or LC Kiseljak, cannot dispose of, manage, or use this land for constructing any infrastructure or spatial facilities, as it is state property. According to the current Spatial Planning Law, an investor must own the land parcel on which infrastructure and other facilities are to be constructed.

Another obstacle is the illegal construction of structures along the shoreline of Modrac Lake. Moving west from the former International Youth Camp, following the shoreline and the road that connects Kiseljak to Bokavići, one encounters areas of the lake's shoreline occupied by temporary structures currently used for occasional stays. These makeshift weekend facilities often include camper trailers, former kiosks, and construction containers.

The structures are illegally placed and disrupt the aesthetic aspect of the location, with a clear problem of wastewater drainage. There is also waste disposal around the makeshift buildings, and along the road leading to these structures, there are several illegal dumpsites.

It is necessary to take appropriate measures to remediate and remove this settlement, especially considering that it is located within the designated water resource area of Modrac Lake, where construction is not permitted.

In accordance with the Tuzla Canton Development Strategy for 2021 to 2027, one of the strategic priorities is the Protection of the Modrac Lake Reservoir – Phase I. Following the completion of the wastewater treatment plant construction in Živinice, the next step in the comprehensive protection of the watershed area is to build a wastewater drainage system in the settlements along the reservoir's shoreline, where no sewerage systems currently exist. Also, it includes building a wastewater treatment plant before it is discharged directly into the reservoir. The only issue is the feasibility of this priority, as the financial value of this measure is estimated at 17,000,000 BAM, and the only source of funding mentioned for the project is EU funds.

The source of mineral water Kiseljak

Kiseljak could leverage its mineral water sources as a key element in its development strategy. It is estimated that the main Kiseljak source, a well with a depth of over 3.0 meters, has a flow capacity of about 0.7 l/s. At the Novi Izvor and Mali Kiseljak sites, significantly more acidic water with higher CO₂ content has been found. All these sources fall into the category of cold mineral carbonated (acidic) waters of the magnesium-bicarbonate type. The medicinal benefits of this mineral water, for treating various health conditions, have already been established. Tuzla Brewery, through a concession, is already exploiting mineral water from one of the sources. With adequate promotion, the presence of these sources could attract numerous new visitors to Kiseljak, provided there is good organization of additional amenities that could serve as part of a health tourism package for the area. This includes modernizing existing and constructing new accommodation facilities, organizing various events, and carrying out promotional activities through modern marketing channels (social media, YouTube channels, influencers, etc.).

*Kiseljak as an ornithologically significant area for tourism development*⁷

⁷<https://www.ebcc.info>

The ornithological potential and the faunal potential of the entire Modrac Lake complex should not be overlooked. Notably, two bird species, the grey heron and the cormorant, are listed as endangered nesting birds in the Federation of BiH. It is well-known that birdwatching has become a popular niche of tourism worldwide. One of the recent projects secured by the City of Tuzla through the Interreg cross-border cooperation project BiH-Montenegro-Croatia is the Panonian-Adriatic Connection (PA.CON) project, which focuses on developing birdwatching tourism potential at Ilinčica. It is also worth considering the possibility of designating the Modrac Lake site, and consequently Kiseljak, as an Important Bird Area (IBA), which would enhance the potential for tourism development in this region. The parkland and landscape areas of this site are also of great importance. In the context of future tourism development, it is necessary to explore the possibility of creating a joint tourism package and offer that includes the City of Tuzla, the recreational zones of Ilinčica, Slanja Banja with the Panonian Lakes complex, and Kiseljak.

In general, in the development documents of the City of Tuzla, Kiseljak is mentioned in the context of infrastructure development projects, specifically the reconstruction of the road to Kiseljak and the landslide remediation project in the Ševar neighborhood.

Within the City of Tuzla Development Strategy until 2026, the multi-year period for projects and programs in the field of municipal infrastructure includes the project for the Construction of the Modrac Sports and Recreation Complex in LC Kiseljak. However, reports on the project's implementation do not indicate whether any progress has been made.

VI SWOT Analysis

SWOT analysis is a tool commonly used in the development of strategic documents. It is a method that allows for the analysis of strengths (advantages), weaknesses (disadvantages), which are elements of the internal environment, as well as opportunities and threats.

Strengths and weaknesses pertain to aspects that LC Kiseljak can influence, while opportunities and threats relate to the external environment and factors that LC Kiseljak cannot control.

Table 2. SWOT matrix

Strengths	Weaknesses
<ul style="list-style-type: none"> - Proximity of the urban part of Tuzla - Proximity to regional and federal transportation infrastructure - natural resources - An exceptionally strong interest in engaging the population in improving the situation in LC - soil quality for agriculture - Community center as a stimulus for the development of LC - Proximity to Lake Modrac - Tradition of LC Kiseljak as a popular outing destination before the war - Good cooperation between LC representatives and the Tuzla Community Foundation - Multiculturalism of LC Kiseljak - Engaged organizations working with the Roma population (Euro Rom, Bolja budućnost) - Local development group - Valuable forest resources - Walking and biking trails along the lake shore - Interest and experience related to agricultural production (livestock, poultry) - Presence of potential for agro-tourism - Successful greenhouse production - Women economically empowered through support for agricultural activities - Youth groups have ideas for improving conditions in LC - Capabilities and references of two youth 	<ul style="list-style-type: none"> - Population inadequately separates waste and engages in recycling activities - A large number of illegal dumpsites - Insufficient awareness among some residents about the need to protect the environment and lack of awareness among locals to report individuals who improperly dispose of waste to the relevant authorities - Illegal construction - Sewage poses a risk to the LC - Underdeveloped infrastructure - Population insufficiently interested in starting their own business - Insufficient development of informal education for a significant contribution to the development of LC - Lack of financial resources to support youth and women in retraining, education, and starting businesses - Inadequate business spaces available to craftsmen, tradespeople, and entrepreneurs - Low purchasing power of the population - Geographic dispersion of LC Kiseljak - Kiseljak is not a transit (pass-through) location - Underdeveloped awareness among some citizens about the importance of health and social protection - Poor state of infrastructure for tourism development - Insufficient integration of the Roma population into the local community - Lack of information among the population about activities conducted by activists and

<p>associations gathering over 100 young people in the LC area</p> <ul style="list-style-type: none"> - Sports football field with artificial turf with potential for commercialization - Football club serving as a basis for recreational activities for athletes, children, and the community - Motivated group of young people eager to participate in the development of LC - Diaspora members who continuously support local LC initiatives - 	<p>organizations in LC</p> <ul style="list-style-type: none"> - Agricultural land is underutilized - Inability to formalize the use of agricultural land owned by individuals abroad - Government incentives cannot be utilized for informal use or cultivation of land not owned by farmers - Employment in agriculture in Kiseljak is mostly informal, with the workforce largely consisting of unpaid household members, leading to a lack of income and economic inactivity. There is also a cultural influence where agricultural producers are not seen as entrepreneurs but rather as people relying on social support. - Investments by producers generally focus on maintaining the current level of agricultural activity (planting materials and production inputs), and producers themselves lack the potential to reinvest their earnings into more serious investments to expand their production. Existing earnings are used for household needs, leaving no potential for investment in business expansion. - here is no collective action among farmers; they all operate individually, which weakens their negotiating power and reduces their market potential. - Inability to market agricultural products and healthy food beyond the "home threshold." - Insufficient number of established businesses. - Unfavorable educational structure of the population. - Insufficient involvement of parents and educational authorities in primary schools.
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	<ul style="list-style-type: none"> - Poor health condition of the population. - Lack of knowledge about starting and managing businesses in the fields of tourism and agriculture. - Lack of interest among young people in working in agriculture. - Lack of preschool facilities. - Unfavorable security situation and insufficient police presence. - Underdeveloped capacities of the football club and lack of support from authorities and other entities for regular club competitions. - Young leaders of youth associations leaving for abroad. - Insufficient level of socializing and integration between the Roma population and other residents of the LC. - Community insecurity, with break-ins at properties.
Opportunities	Threats
<ul style="list-style-type: none"> - Valuing the natural, human, and tourist potential of LC Kiseljak - Sanitation of the Kiseljak mineral water springs and its branding - Development of the Modrac lake shoreline - Strengthening ties with the diaspora - Collaboration with the civil sector - Projects funded by international funds - Maintaining a clean environment for a pleasant life and tourism development - Revitalization of the campsite with the aim of developing camping, fishing, and other outdoor activities - Improving employment prospects for the population by strengthening formal and 	<ul style="list-style-type: none"> - Population migration due to poor socio-economic conditions is decreasing the population size. - The reduction in the number of residents also threatens the economic potential of Kiseljak, reducing the market for craft activities. - Lack of willingness to resolve jurisdictional issues between cities and cantons. - When it comes to supporting agriculture, the development of agriculture is entrusted to all levels of government, including state, entity, cantonal, and municipal levels. Institutional fragmentation in the agriculture sector leads to insufficiently

<p>informal education in cooperation with city and cantonal authorities</p> <ul style="list-style-type: none"> - Securing support for the development of small businesses in collaboration with city, cantonal, and federal institutions - Encouraging youth activism and engagement in LC - Establishing a preschool to enable mothers to work - Strengthening the capacity of the primary school in LC Kiseljak through collaboration with relevant educational institutions, especially by engaging Roma pedagogues and similar professionals to encourage children from this category to pursue education, improve integration into the educational system, and achieve their full potential for better school results and continued education - Workshops with members of the Roma community who have completed higher levels of education (especially universities) as role models - Utilizing the potential from the construction of a solar power plant near LC Kiseljak to attract investors - Construction of a new road route from Tuzla to Sarajevo via Živinice, which is closer to LC Kiseljak - The spatial plan of the City of Tuzla envisions LC Kiseljak as a recreational zone - The Ministry of Spatial Planning and Environmental Protection has developed a spatial plan for Lake Modrac, where LC Kiseljak is designated as a development hub. - Increased awareness among city authorities 	<p>effective support and a strategic approach in managing agricultural development policies.</p> <ul style="list-style-type: none"> – Neglect of road infrastructure – Insufficient development and poor maintenance of the sewage network – Inability to resolve property-legal issues in LC Kiseljak – High unemployment among the Roma population – Dilapidated buildings owned by the City of Tuzla pose a threat to the safety of residents due to potential collapse – Environmental pollution as a result of industrial activities in and around the city – Non-implementation of guidelines for rural development in the City of Tuzla – Destruction of cultural and historical heritage – Poor business practices of buyers towards local producers – Further increase in input costs for agriculture – Gap between the Roma population and other residents – Prejudices against the Roma population due to isolated negative examples – Further degradation of the shoreline and nature threatens the tourism potential. – Inaccurate statistics on the actual number of residents in LC. – Lack of financial capacity among the population limits the implementation of municipal infrastructure projects. – Significant investments are needed to revitalize the Modrac lake shoreline,
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<p>about the need to create conditions for the development of rural areas of the city.</p> <ul style="list-style-type: none"> - Development of rural households and eco-agro-tourism. - Construction of a multifunctional center to support businesses. - Interest of Šime Ešić in restoring his family home and establishing a cultural and educational institution. - Interest of weekend house owners in engaging in agriculture. - Shift the focus from the current situation, where households engage in agriculture only to supplement household income, to a support system aimed at assisting agricultural producers with viable business plans that will result in economic growth. - Development and branding of agricultural products for which LC Kiseljak could be recognized (potatoes, cabbage, honey, Kiseljak cream and cheese, etc.) - Formation of a cooperative and branding of Kiseljak products - Co-financing the purchase of greenhouses - Interest of a certain number of young people to participate in improving conditions in LC through youth organizations - Establishment of a recycling center and improvement of the work of secondary raw material collectors - Implementation of population integration programs - Available EU and other domestic and international donor programs for potential financing of development projects at the LC level 	<p>including lake cleanup, infrastructure development, and creation of amenities.</p> <ul style="list-style-type: none"> - The process of receiving support from the City of Tuzla's budget and higher levels of government is overly complicated and bureaucratic, requiring extensive documentation for applying for incentives. This necessitates additional financial investment to obtain proof from various institutions.
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<ul style="list-style-type: none"> - Increasing interest among the Tuzla Canton population in spending time in nature and at excursion sites - Opportunities to organize nature camps in LC Kiseljak - Motivated to establish a business for the distribution of secondary raw materials 	
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The presented SWOT analysis provides insight into the strengths and opportunities that should be maximized to encourage socio-economic development in LC Kiseljak. Additionally, the identified weaknesses and threats should be minimized and addressed if long-term conditions for strengthening economic development, especially in tourism, agriculture, and small businesses and crafts in general, are to be created.

Key issues for LC Kiseljak include infrastructure problems, unresolved property-legal issues, and illegal construction on the Modrac lake shoreline that belongs to LC Kiseljak. Additionally, there are concerns about water and soil pollution, improper waste disposal, unemployment, and population emigration. A particular issue in terms of planning is the lack of reliable and accurate statistical data on the number of residents currently living permanently in LC Kiseljak. Both formal statistics, such as the number of registered voters, and informal data from LC representatives indicate a drastic decline in the permanent resident population. This decline is primarily due to ongoing emigration across generations, driven by a lack of employment opportunities, neglect of the LC, and the unavailability of amenities that contribute to a high-quality living environment.

According to data obtained from the population, there is a somewhat pronounced issue in LC regarding the relationships between the Roma population and the rest of the population belonging to other national groups. This issue is primarily a result of prejudices, but also problems related to poor security (e.g., frequent thefts), improper waste disposal due to non-payment for municipal services, etc. This local community faces challenges in cleaning and

maintaining the shoreline, which represents a unique natural and economic potential, especially in the context of sports and recreational tourism, ecotourism, fishing tourism, etc. In addition, poor road infrastructure, weak connectivity with the urban part of the city and other nearby settlements, and the authorities' unwillingness to invest in improving this infrastructure in the short term contribute to a poor environment for economic development and attracting businesses that could base their operations in LC Kiseljak.

What characterizes this local community is the existence of a "healthy core" of residents interested in improving the functioning and development of their community. However, without significant support from the city, substantial improvements cannot be achieved. There is a certain level of interest among women in engaging in agriculture, but a key characteristic of this local community is the high unemployment rate among women, particularly women from the Roma population.

Despite this, the advantages of LC Kiseljak are based on its location in the suburban area of the City of Tuzla, characterized by nature, quality land, proximity to Lake Modrac, and the experience of the population in agriculture, crop farming, livestock breeding, dairy farming, beekeeping, and other activities for which there are natural conditions in this part of the city.

There are positive examples of residents who successfully support their families through these activities and have an interest in expanding their businesses and registering them. However, it is evident that younger generations are not interested in agriculture. The employability of women could be higher if there were facilities for childcare through preschool institutions, as one of the key issues for mothers who would like to work is the inability to have their children cared for while they are working.

The experience the population has in agriculture and other mentioned activities is a key advantage of this local community. This quality of human resources should be retained and maintained, shared with others, and supported through cooperation, empowerment,

funding, and consulting. This requires collaboration at all levels of government—municipal, cantonal, and federal.

A significant portion of the population, predominantly men of the Roma community, is involved in collecting, sorting, and selling secondary raw materials to support their families. They highlight various problems, including low purchase prices, poor cooperation with companies around Tuzla, and prejudices they face. They see an opportunity to address these issues and improve this type of income-generating activity through the establishment of a recycling center, which would facilitate the collection and sorting of raw materials and contribute to solving environmental problems and inadequate waste disposal in the LC area.

LC Kiseljak is also characterized by good connections and cooperation with the Tuzla Community Foundation, which, through the implementation of a series of projects predominantly funded by foreign donors, has brought improvements to the LC Kiseljak area (e.g., construction of a community center, co-financing of agricultural production, enhancement of informal education, etc.). In addition to FTZ, several other non-governmental non-profit organizations operate in the LC area, addressing specific issues (e.g., Better Future, Evangelical Church, UG Početak, UG Zemlja djece, UG EuroRom, etc.). Systemic and strategic cooperation with municipal authorities is still lacking.

VII PESTLE analysis

PESTLE analysis is a tool commonly used to assess business opportunities and is particularly valuable for evaluating highly dynamic external business environments. PESTLE analysis involves examining the following factors: political environment, economic environment, social environment, technological environment, ecological environment, and legal environment. To develop guidelines for business opportunities in the LC Kiseljak area, it is

necessary to consider the impact of all these factors.

Table 3. PESTLE analysis

Political environment
<ul style="list-style-type: none"> - Lack of strategic documents for the development of rural areas in the City of Tuzla and rural regions in the Tuzla Canton, and insufficient interest from city and cantonal authorities in providing conditions for the development of rural areas and less developed local communities - Persistent political tensions - Poor labor and legal legislation - Tax policy is not conducive to business development and job creation - Lack of interest from ruling structures in providing adequate educational, healthcare, and social services in the LC Kiseljak area - Absence of a rural development policy for the City of Tuzla - Insufficient legal protection for small agricultural producers
Economic environment
<ul style="list-style-type: none"> - Low standard of living for the population - Weak purchasing power of the population - High unemployment among the Roma community - High and uncontrolled inflation rate increasing the cost of living - Inability to access credit facilities - Inability to access financing for starting a business - Underdevelopment of small enterprises, crafts, etc. - Low level of business infrastructure development - Inadequate incentive policies for agricultural producers - Weak bargaining power of small agricultural producers - Producers focusing on the local market in the LC Kiseljak area
Social environment
<ul style="list-style-type: none"> - Multicultural local community - Low average level of education among the population - High unemployment rate, especially among women - Inadequate environment for the upbringing of many children from the Roma community

- Insufficient social and healthcare protection
- Aging population
- Pronounced population migration
- Improvement in the performance of activists and non-governmental organizations, whose work is particularly important
- Formal education insufficiently meets the needs of all children in the area
- Underdeveloped informal education
- Significant interest among the population in improving the functioning of LC Kiseljak
- Insufficient cooperation between the general population and the Roma community

Technological environment

- Available telecommunications
- Underdeveloped ICT infrastructure
- Low level of digital technology usage
- Low digital literacy

Ecological environment

- Large number of illegal dumpsites
- Low environmental awareness among the population
- Contaminated water and mineral waters in Kiseljak and Lake Modrac
- Poorly developed water supply and sewage infrastructure
- Illegal construction threatening the shores of Lake Modrac

Legal environment

- - Unresolved property and legal relations
- Unclear jurisdiction of cities and cantons
- Weak inspection oversight
- Need to develop a new spatial plan
- Unresolved security and safety issues

Based on the presented analysis, it can be concluded that a key prerequisite for significant economic development in LC Kiseljak is resolving property and legal issues related to the shores of Lake Modrac (e.g., illegal construction), agricultural land, and various facilities in the

LC Kiseljak area, some of which are owned by the City of Tuzla.

The long-term development of this local community is linked to the creation of strategic documents that should be developed at the level of the City of Tuzla, which should have a key interest in revitalizing this LC. It is exceptionally large in size and possesses significant untapped potential.

In addition to the need to address legal barriers, this local community faces a particularly unfavorable economic environment characterized by high unemployment (especially among women and youth), low household incomes, weak bargaining power of agricultural producers, poor transportation connectivity with other populated areas, and underdeveloped communal infrastructure.

LC Kiseljak is also facing pronounced population migration and is unique in its demographic structure, being home to the largest Roma community in the area, along with other residents of different nationalities (which is also a major challenge for this LC). Alongside this challenge, there is a particularly pronounced issue of inadequate social and healthcare protection, family violence, especially in Roma families, and other social problems such as underdeveloped education in the area.

The environmental situation in this local community is one of the most pressing issues. This is due to inadequate waste disposal, illegal dumpsites, insufficient environmental awareness among residents (especially the youth), significant non-payment for communal services by some residents, and a lack of capacity within municipal utilities to address this problem in the long term.

VIII Results of empirical research

As previously mentioned, for the purpose of assessing business opportunities in the LC Kiseljak area, a questionnaire was created and used for primary research within the LC Kiseljak area, sampling 151 residents. In addition to profiling the respondents, a specific segment of

the questionnaire focused on evaluating business opportunities in LC Kiseljak, particularly assessing the products and services that are lacking in the area, as well as the potential and purchasing power of residents to become buyers of these missing products/services if they were available. The third segment of the questionnaire addressed entrepreneurial potential, specifically the respondents' attitudes toward (not) becoming entrepreneurs and the resources they have or need to establish themselves as entrepreneurs.

8.1. Respondent profile

The research was conducted with a sample of 151 residents of the Kiseljak local community, including 59 (39%) men and 92 (61%) women, as shown in Figure 3.

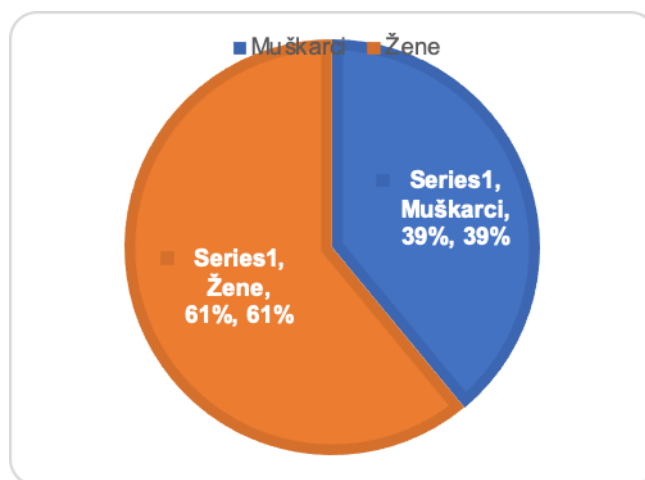


Figure 3. Gender of the respondents (Žene-Women, Muškarci-Men)

The largest number of respondents covered by the survey are aged between 18 and 25 years (25), while the same number of respondents chose not to provide their age. This is followed by respondents aged between 36 and 45 years (22), and there are 21 respondents each in the age groups of 46 to 55 years and 56 to 65 years. Fourteen respondents are aged 66 and over, while 5 respondents are under 18 years old. The age distribution of the respondents is shown in Figure 4.

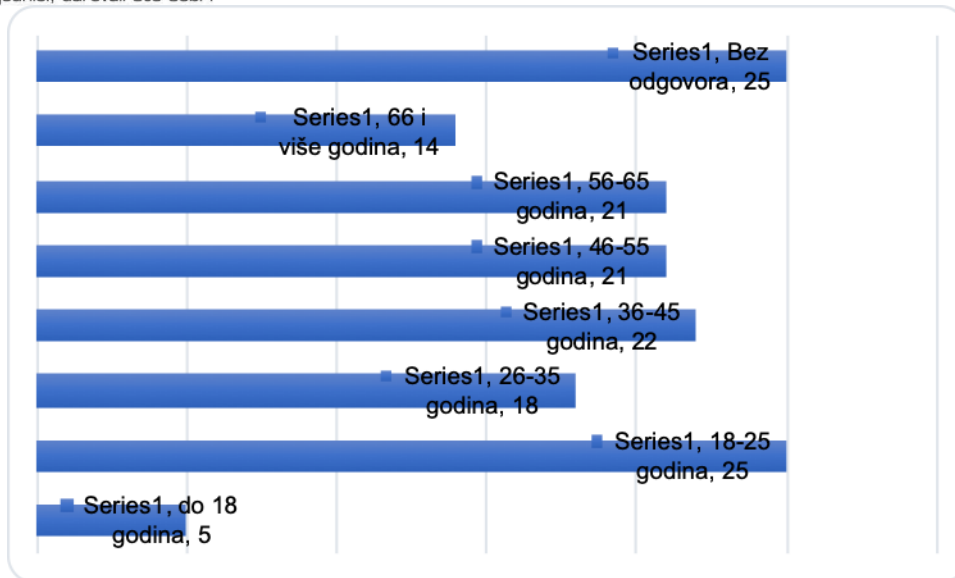


Figure 4. Age distribution of the respondents

The majority of respondents fall into the category of the working-age population, which also represents an adequate sample for assessing business opportunities and entrepreneurial potential in the LC Kiseljak area.

When considering the employment status of respondents, the largest group (46%) falls into the category of unemployed, while 26% of respondents are employed (see Figure 5).

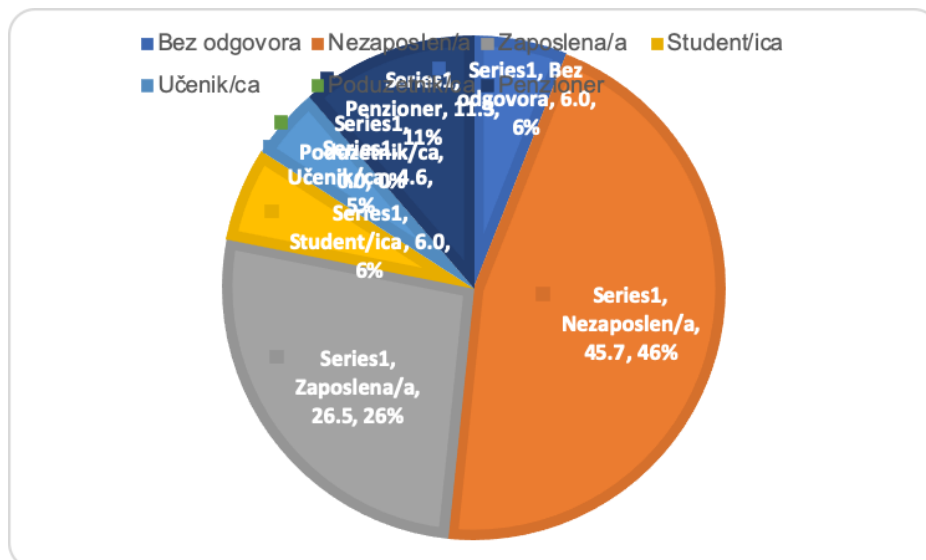


Figure 5. Employment status of the respondents

Eleven percent of the respondents are retirees, while 6% are students and individuals who did not provide information about their employment status. Students make up 5% of the respondents.

Figure 4 shows the distribution of respondents' levels of education. As can be seen, the largest group of respondents (62%) has completed secondary education, followed by those who have completed primary education (including those who have completed 3 to 5 grades of primary school).

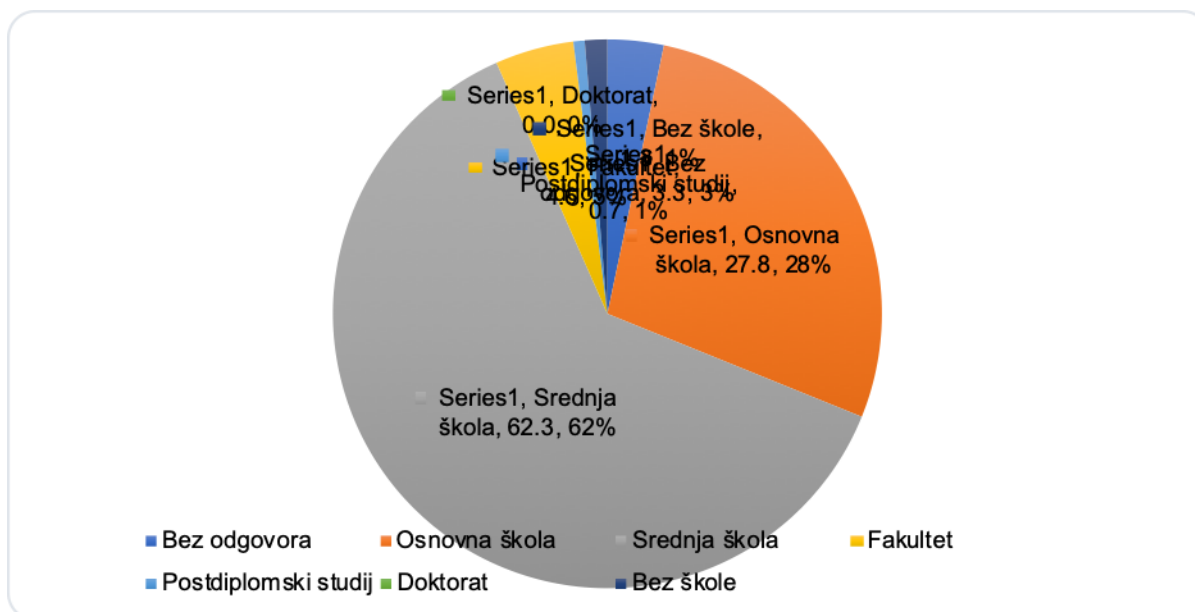


Figure 6. Educational background of the respondents

A total of 5% of respondents have completed higher education, while the remaining 5% fall into other educational categories or did not provide an answer regarding their level of education.

The largest number of respondents live in households with 4 members (57 respondents), followed by households with 3 members (27 respondents), and households with 2 members (23 respondents). Five respondents live alone, while 39 respondents live in households with 5 or more members, including 15 who live in households with 7 or more members.

Analyzing the amounts of monthly income is important for assessing the population's potential for purchasing and acquiring products and services that are currently unavailable but could potentially be offered in the LC Kiseljak area. The overview of the structure of

respondents' monthly income is shown in Figure 7.

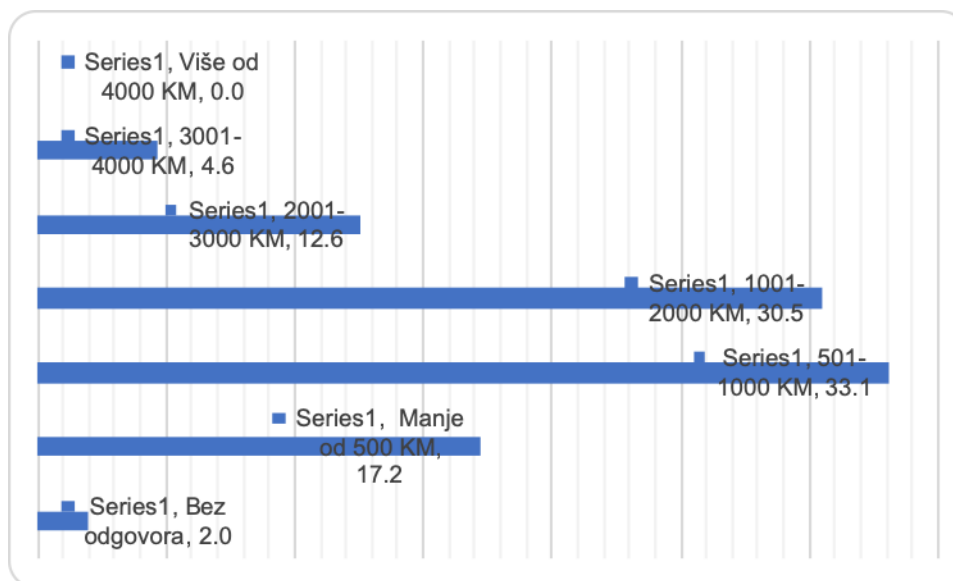


Figure 7. Overview of the monthly income amounts of respondents' households (in %)

It should be noted that the term "monthly income amount of the household" refers to all sources of income within the household, including both formal earnings (such as employment, business, etc.) and social benefits, unregistered income, and so on.

The largest number of respondents have a monthly household income between 501 and 1,000 BAM (33.1%) or between 1,001 and 2,000 BAM (30.5%), indicating that over 65% of respondents have a household income ranging from 500 BAM to 2,000 BAM. Given the average number of household members, this is a relatively small amount for covering other necessities and services beyond basic living expenses. Moreover, 17.2% of respondents have a household income of less than 500 BAM, while the same percentage applies to those with incomes above 2,000 BAM (12.6% have incomes between 2,001 and 3,000 BAM, and 4.6% have incomes exceeding 3,000 BAM).

Business opportunities in the LC Kiseljak area

To assess business opportunities in the LC Kiseljak area, respondents were asked about which products are insufficiently available in the LC Kiseljak area. The largest number of respondents

indicated a need for fresh bakery products (bread and pastries), with 83 direct responses and additional comments further highlighting the need for opening a bakery in the LC Kiseljak area. An overview of the other responses is provided in Figure 8.

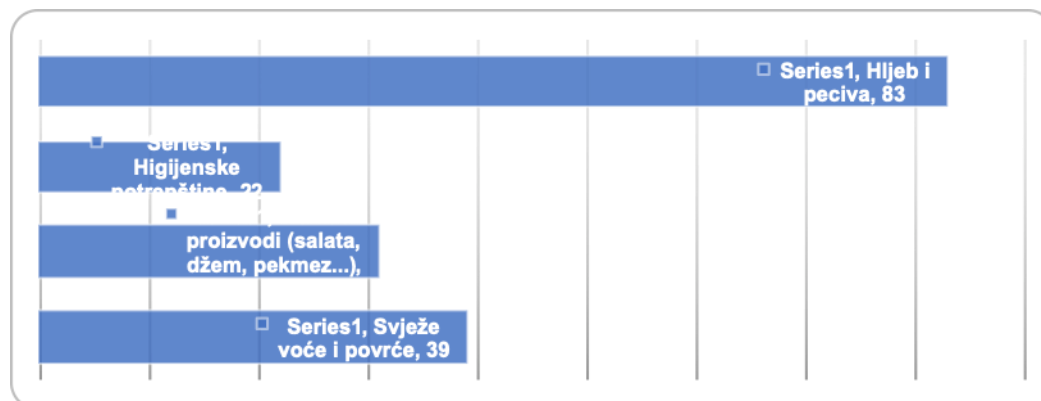


Figure 8. Overview of respondents' views on missing products in the LC Kiseljak area

In addition to the provided answers, respondents pointed out the need for opening a butcher shop in the LC Kiseljak area due to the lack of availability of fresh meat, which they believe would significantly improve the daily lives of residents. A total of 37 respondents (24%) expressed the need for a butcher shop and greater availability of fresh meat. Additionally, there was a noted need for access to milk and dairy products (11 respondents).

When analyzing respondents' answers related to the lack of certain services in the LC Kiseljak area, the largest number pointed to a shortage of hairdressing services (79 respondents), daycare services (70 respondents), and entertainment services (65 respondents), as shown in Figure 7. The lack of access to daycare and nursery services in the LC Kiseljak area was also highlighted during focus groups as a particular problem faced by residents, especially women, as it affects their ability to find employment due to the need to care for preschool-aged children. The shortage of healthcare services was also identified as a significant issue, with respondents specifically pointing out the lack of dental services, pediatricians, gynecologists, and other specialist services. Potential solutions such as mobile clinics and weekly visits by specialists were also suggested.

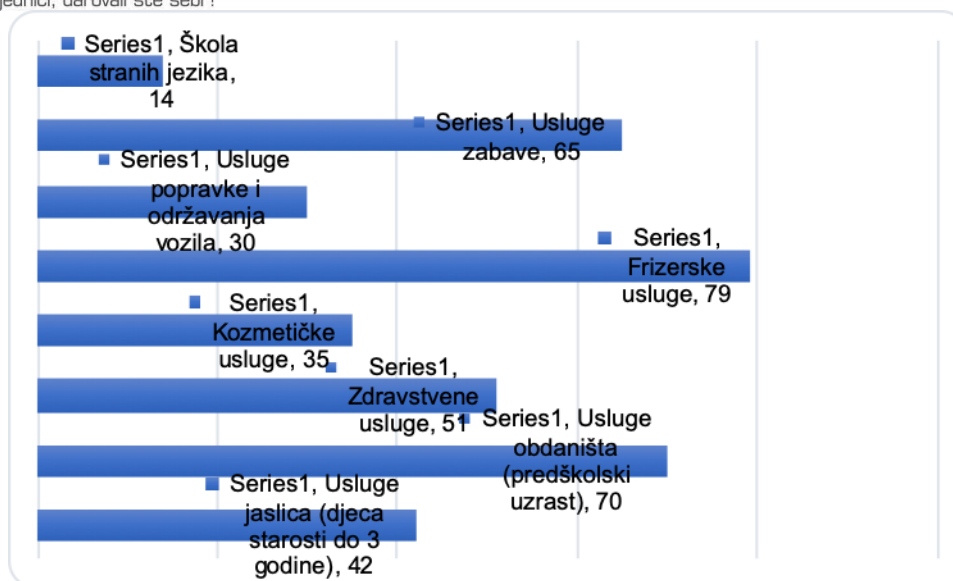


Figure 9. Overview of respondents' views on missing services in the LC Kiseljak area

Respondents also highlighted the lack of amenities for both young people and older individuals, as well as the shortage of hospitality establishments and certain craft services.

In addition to assessing the level of insufficient availability of certain products and services in the LC Kiseljak area, the empirical research also analyzed the possibility of residents paying for these products and services, considering their current purchasing power. A total of 125 respondents, or 82.8%, indicated that if these products and services were available in the LC Kiseljak area, they would be willing and able to pay more for them. When asked how much they would be willing to pay for these services, respondents expressed willingness to pay either 10% or more (35 respondents), reasonable market prices (17 respondents), or the cost of a bus ticket to Tuzla to access the product or service (6 respondents), among other responses. It is important to note that a one-way bus ticket from Kiseljak to Tuzla costs 4.5 BAM, resulting in a minimum cost of 9 BAM for a person who wants to use and/or purchase a product or service available in Tuzla but not in LC Kiseljak.

According to the majority of respondents, the key potential for business development in the LC Kiseljak area is tourism (31 respondents identified tourism as a key potential), as well as Lake Modrac (29 respondents identified Lake Modrac as a key potential), with a note on the

need to clean the shore of Lake Modrac on the Kiseljak side to realize its potential. Respondents also recognized agriculture as a key potential, specifically the natural resources available in Kiseljak (forests, water, land). The mineral water source in Kiseljak was also identified as a significant potential, along with human resources, youth, and residents of LC Kiseljak who are interested in developing the local community.

Within the questionnaire, one of the questions addressed respondents' views on the necessary activities that need to be undertaken at the community level to improve business development conditions. Most responses related to improving infrastructure, particularly the Husino-Kiseljak road, which is a fundamental prerequisite for business development. Respondents also highlighted the need to improve environmental cleanliness and its better protection in the LC Kiseljak area, given the polluted shore of Lake Modrac and the inadequate maintenance and neglect of the area's cleanliness by residents. A specific aspect pointed out by respondents was the need for greater cooperation and synergy among the community's residents to better advocate for the well-being of their settlement.

Entrepreneurial potential

In addition to the conditions for business development in the LC Kiseljak area, a special part of the research focused on assessing the entrepreneurial potential of the residents of LC Kiseljak, specifically their attitudes towards entrepreneurship and starting their own business, the necessary resources, and the type of support needed in this process, among other aspects.

Of the total 151 respondents, 72 (47.7%) have envisioned themselves as entrepreneurs or are considering starting a private business, while 1 respondent is already a business owner. Although this represents a significant proportion of respondents who see entrepreneurship as an option, analyzing their views on the necessary resources and support, experience, and other important aspects of the entrepreneurial process provides a more precise picture of the current state and opportunities for engaging in business.

Figure 10 presents an overview of respondents' views on the types of support needed for starting a business.

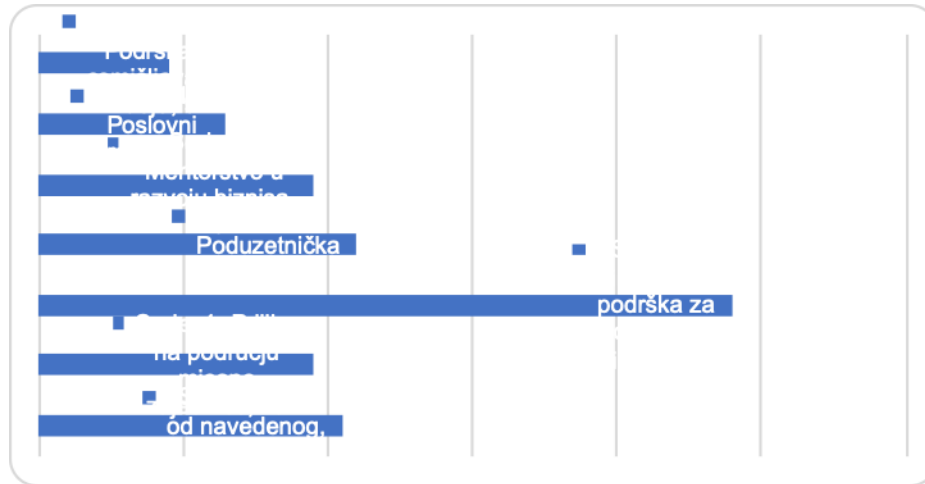


Figure 10. Overview of respondents' views on the types of support needed for starting a business

As can be concluded from Figure 10, the largest number of respondents (48 or 31.8%) expressed a need for financial support for starting a business, followed by entrepreneurial training (22 respondents or 14.6%), and then comprehensive support including idea development, business space, entrepreneurial training, financial support, and opportunities in the LC area (21 respondents or 13.9%). Considering that the City of Tuzla has several entrepreneurship support programs, including the Entrepreneurship Fund of the Tuzla Community Foundation, this indicates a need for greater promotion and outreach of these programs to the residents of LC Kiseljak to further encourage them in the entrepreneurial process, leveraging the available resources within these programs.

Respondents were also asked to specify the type of business they would pursue if they decided to become an entrepreneur. The majority of those who answered this question (19) mentioned agriculture or a specific segment of agricultural production (such as sheep farming, livestock, etc.). The next most common response was hospitality (8 respondents), with a focus on fast food restaurants. Respondents also mentioned various types of services (transport, cosmetic services, vehicle maintenance, etc.) – 7 respondents. Four respondents each indicated trade and production of specific goods. Tourism was recognized as a business

opportunity by only one respondent, suggesting that although there is a need for further development of tourism in the LC Kiseljak area, the entrepreneurial potential and willingness of residents to venture into this field are not at a satisfactory level.

Of the 72 respondents who expressed readiness to start a business or their perception of entrepreneurial potential, 30 (41.7%) indicated they have some experience in the field they wish to pursue, while 27 (37.5%) stated they lack the necessary experience. A total of 86.1% of respondents who expressed a desire to become entrepreneurs reported that they do not have the financial potential to start a business, whereas 10 respondents (14%) said they do have the financial resources for this process. Regarding other resources they possess for starting a business, respondents most frequently mentioned land as a resource they have for successfully initiating an entrepreneurial venture. An overview of other responses regarding the prerequisites for starting a business is shown in Figure 11.

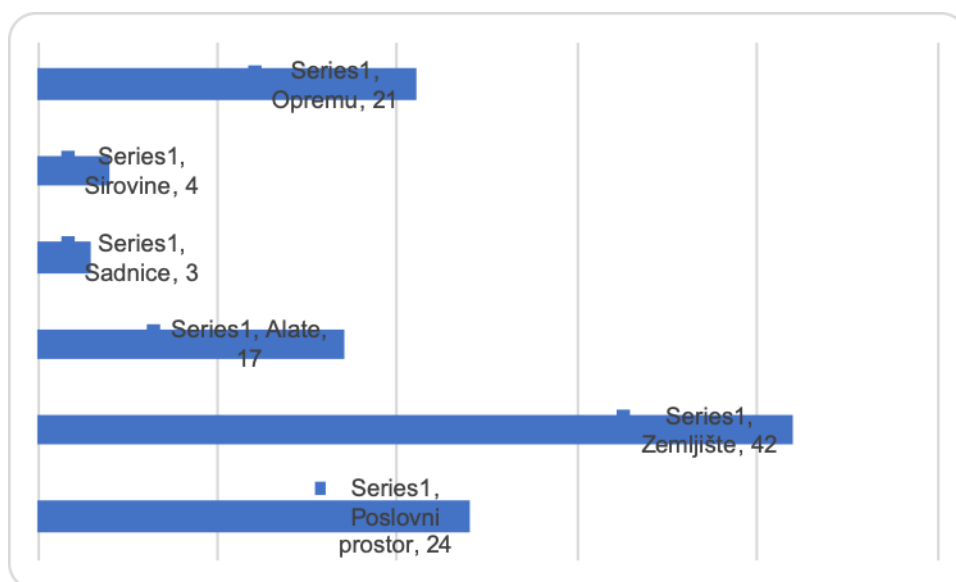


Figure 11. Overview of the resources respondents have for starting a business

After land, the most common resource that respondents have for starting a business is business premises (24 respondents indicated this resource), equipment (21 respondents), and tools (17 respondents). Four respondents have raw materials, while three have seedlings. These views on resources for starting a business were also confirmed during the focus groups,

which highlighted the availability of land as well as free spaces within residential buildings of LC residents that could be used for starting a business.

Respondents who answered negatively to the question about whether they want to become entrepreneurs were asked to provide reasons for not considering entrepreneurship. An overview of the respondents' answers is presented in Figure 12.

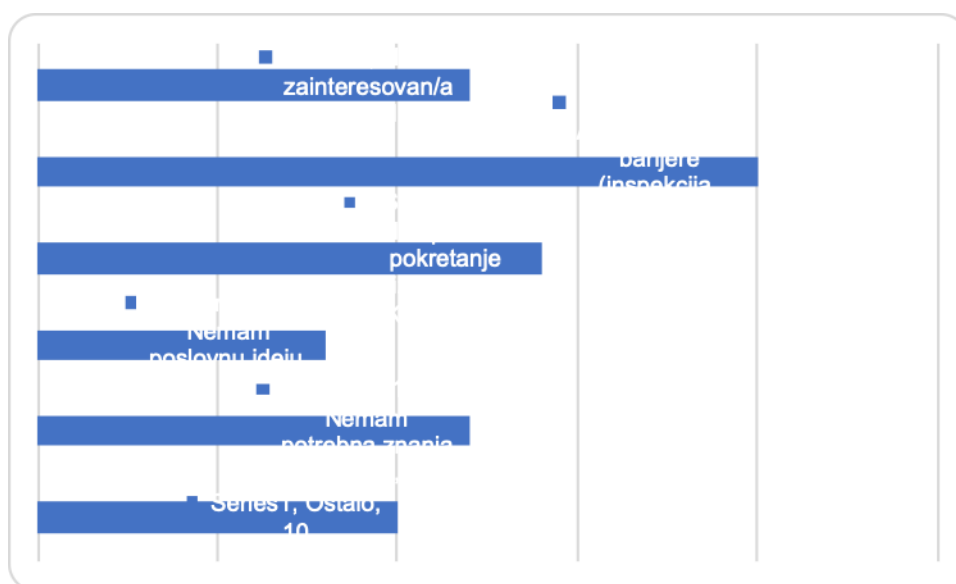


Figure 12. Views of respondents who expressed a negative stance towards becoming an entrepreneur, regarding the reasons that influenced this stance

The majority of respondents (20) who indicated that they had not considered becoming an entrepreneur cited administrative barriers (inspection, paperwork, etc.) as the reason for this stance. The next most common response was "I don't see an opportunity for starting a business in LC Kiseljak" (14 respondents), followed by "I am not interested" and "I lack the necessary knowledge and skills" (12 respondents each). Eight respondents mentioned that they do not have a business idea, and among the 10 respondents who selected "Other" as a reason, the predominant factors were that the person is already employed, is a retiree, or is already working as an unregistered entrepreneur.

IX Analysis of the current state of business activity of the LC of Kiseljak

Based on the available data, information obtained through focus groups, and data collected from the conducted survey, the population of LC Kiseljak is currently predominantly engaged in:

- agricultural production in the open and in greenhouses
- animal husbandry
- crop farming
- poultry farming
- pig farming
- dairy farming
- collection of secondary raw materials
- beekeeping
- production of healthy food based on bee products, vegetables and fruits, milk

Although production in these areas had been more pronounced in previous years, the COVID-19 pandemic and the ongoing war in Ukraine have led to a significant increase in the costs of all input resources needed for agriculture and animal husbandry. A particular issue is the weak bargaining power of smaller producers (who are not part of cooperatives) with purchasers, wholesalers, and retail chains. The discouraging purchasing policies have led to a reduction in production and breeding due to the unprofitability of production, directing producers and breeders towards local markets and "word-of-mouth" marketing and sales at the "doorstep." For example, there has been a reduction in the production of potatoes, cabbage, milk, wheat, and other products traditionally produced in this area. However, despite this, greenhouse production has been maintained, mainly managed by women from the LC Kiseljak area, and there is interest in expanding greenhouse production if financial support (through projects or similar) can be secured.

The following will present key conclusions related to the current state of activities that are the focus of this study: agriculture, tourism, and recycling and collection of secondary raw materials, along with other identified areas for business development.

Table 4. Analysis of the State of Selected Activities

Business activity/criteria	Infrastructure	Human resources	Market	Experience
Agriculture	<ul style="list-style-type: none"> -Quality and available land -Greenhouses -local road -Available tools, machinery -Unresolved property-legal relations -Producers' interest in additional production capacities in greenhouses -Necessary modernization of road and communal infrastructure 	<ul style="list-style-type: none"> - Producers with knowledge and experience - Interested in increasing production and expanding business - Interested in developing the local area and community - Local producers know each other well and collaborate, but there is a lack of synergy - Underdeveloped negotiation skills - Insufficient knowledge about product placement, use of social media, and branding Low interest among young people in taking over businesses - Interest of women 	<ul style="list-style-type: none"> -focus of the producer on the local market -interest in expanding to a larger market -lack of knowledge about adequate market entry -poor negotiating power of the producer -low purchase price 	<ul style="list-style-type: none"> -longstanding experience in agriculture -good knowledge of land and processes -negative experiences with buyers -negative experiences with input suppliers -support from TCF through project activities

		in greenhouse production		
Tourism	<ul style="list-style-type: none"> -illegal construction -devastated infrastructure -poor road communication -no developed tourist and hospitality facilities 	<ul style="list-style-type: none"> -lack of knowledge and skills in tourism -there is interest in developing tourism -insufficient use of digital media 	<ul style="list-style-type: none"> - potential for the development of fishing, sports and recreational, and rural tourism 	<ul style="list-style-type: none"> -formerly, LC was recognized as a place for day-trippers, walkers, and fishermen
Recycling and collection of secondary raw materials	<ul style="list-style-type: none"> - A central location for the collection, sorting, and disposal of waste has not been established. 	<ul style="list-style-type: none"> - There are several organized waste collectors who have been operating for years -good knowledge of prices and buying companies -awareness of problems and solutions -interest in improving this type of activity 	<ul style="list-style-type: none"> - There are sufficient opportunities for collecting raw materials -focus on solid waste, electrical appliances, paper, metal, etc. 	<ul style="list-style-type: none"> -Collectors have a good understanding of the opportunities and experience in their work
Other areas for business development	<ul style="list-style-type: none"> - Lack of a public preschool institution, which hinders employment opportunities for mothers of children. 	<ul style="list-style-type: none"> - Lack of qualified personnel 	<ul style="list-style-type: none"> -Insufficient purchasing power of the local population 	<ul style="list-style-type: none"> -Tradition of Kiseljak pogača (pita, a type of pastry) -Poor experience with the previous operation of the butcher shop and bakery due to market

	-Lack of business activities.			conditions, which creates fear of failure
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X Identifying potential for business development opportunities in the LC Kiseljak area

Based on the data obtained during the state analysis phase, research results, and focus group results, the following table will present the potential for improving business opportunities in the three observed areas of activity: agriculture, tourism, and recycling and collection of secondary raw materials.

Table 5. Development potentials in selected industries

Business activity/criteria	Infrastructure	Human resources	Market	Assumptions
Agriculture	1 Formation of the cooperative "Kiseljak House" 2 Improvement of road infrastructure	1 Strengthening the capacity of existing and potential farmers 2 Raising awareness and capacity regarding organic production 3 Raising awareness about circular economy and resource efficiency	1 Development of the sales market 2 Strengthening negotiating power 3 Support in participating in trade fairs 4 Cooperative (potential) web shop	1 Improvement of the regulatory framework 2 Strengthening cooperation and a synergistic approach at the LC level, especially among farmers 3 Strengthening the capacity of existing and

		<p>4 Networking</p> <p>5 Strengthening awareness of the need for cooperation and networking</p> <p>6 Improving knowledge of new technologies in agriculture</p>		<p>potential entrepreneurs</p>
<p>Tourism</p>	<p>1 Development of sports and recreational tourism</p> <p>2 Development of rural tourism and agritourism</p> <p>3 Camping and fishing</p> <p>4 Renovation of the "Šime Ešić" house as an attraction and comparative advantage</p> <p>5 Organizing healthy food fairs</p> <p>6 Creating a website and social media pages to promote the specific features and potential of LC Kiseljak</p>	<p>1 Enhancing knowledge in the field of tourism</p> <p>2 Raising awareness about the importance of nature conservation</p> <p>3 Strengthening awareness of the need for cooperation and networking</p> <p>4 Improving knowledge of new technologies</p>	<p>1 Focus on the local population and residents from the surrounding area of Tuzla</p> <p>2 Attracting tourists by organizing specialized events for specific types of tourism (fishing, birdwatching, cycling, etc.)</p> <p>3 Diaspora</p>	<p>1 Development of the Modrac Lake shoreline</p> <p>2 Eco action for nature cleanup</p> <p>3 Removal of rubble and waste</p> <p>4 Modernization of road and municipal infrastructure</p> <p>5 Improved level of safety for people and property</p> <p>6 Sanitation of mineral water sources</p>

<p>Recycling and collection of secondary raw materials</p>	<p>1 Establishment of a recycling yard in collaboration with JP 'Komunalac' (Public Utility Company Komunalac)</p> <p>2 Formation and establishment of companies for the purchase of secondary raw materials</p> <p>3 Build local partnerships between secondary raw material collectors, local authorities, and local businesses</p>	<p>1 Enhance the knowledge of collectors through modernizing equipment and training</p> <p>2 Increase the involvement of Roma raw material collectors in the formalization of business processes through skill development and encouragement of networking</p> <p>3 Strengthen awareness of the importance of environmental protection and proper waste disposal</p>	<p>1 Collection of raw materials in the city of Tuzla and neighboring municipalities</p> <p>2 Collection of raw materials in other cantons and the Republic of Srpska, where it is profitable</p> <p>3 Part of the collection is done outside the Tuzla area, almost across the entire BiH</p> <p>4 Development of the "pick-up on request" service</p> <p>5 Specialize in raw materials that offer higher purchase value (electronic waste)</p>	<p>1 Development of an employment and self-employment plan for Roma in the city of Tuzla</p> <p>2 Essential to address ecological problems</p> <p>3 Strengthen inspection or other forms of supervision in the field of environmental protection</p> <p>4 Intensify cooperation between the local community council, the city administration, and relevant services</p> <p>5 Intensify cooperation with relevant</p>
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				authorities to increase security
Other areas for business development	1 Opening new business activities for which there is a demonstrated need: preschools, bakeries, and butcheries	1 Subsidies and support for retraining and upskilling workers 2 Strengthening entrepreneurial and managerial skills of potential entrepreneurs	1 Subsidizing part of the costs for using the specified services 2 Connecting activities	1 Support for strengthening the purchasing power of the population 2 Subsidizing the use of products and services 3 Support for promotion, market development, and distribution and procurement channels

X Guidelines for the development of business opportunities in LC Kiseljak

Based on the identified potentials and assumptions for the specified activity areas, it is essential to identify the activities that need to be implemented to realize these potentials.

Agriculture

Guidelines for the Development of Agriculture in the LC Kiseljak Area

Agriculture in the LC Kiseljak area is a traditional activity engaged in by the local population.

However, due to a decline in market potential (largely due to population emigration) and poor negotiating power in the sales chain, there has been a decrease in registered agricultural activities. Most of the agricultural activity now occurs in the form of farms and/or without any registered agricultural activities, being solely for personal use or for sale at the "household doorstep."

The conducted research, including focus groups and empirical studies, has identified potential for agriculture in this LC, particularly due to the available land. However, weaknesses have been noted, including the fragmentation of agricultural producers, small quantities, insufficient knowledge and skills of those engaged in agriculture, poor negotiating positions in the sales chain, and other weaknesses. Conversely, there is a demonstrated desire, willingness, and readiness among farmers to network and receive support to preserve agricultural production.

In this regard, possible directions for the development of agriculture in the LC Kiseljak area include the formation of the cooperative "Kiseljak House" and the improvement of road infrastructure as a prerequisite for development, not only for agriculture but for the overall development of the local area.

Therefore, it is proposed to establish a cooperative in accordance with the Law on Cooperatives of the Federation of Bosnia and Herzegovina ("Official Gazette of the Federation of BiH No. 28/97"). The cooperative should have at least one full-time employee who would coordinate the cooperative's activities and provide support to the members in terms of information, assistance, networking, etc.

In this way, agricultural products from the LC Kiseljak area would be marketed through the cooperative, which would have stronger negotiating power in the sales chain. This would encourage cooperative members and other agricultural producers to increase their production volume and capacity due to potentially higher product purchase prices compared to their status as individual producers.

It is crucial to highlight that implementing this systematic approach and infrastructure for managing agricultural development necessitates having skilled, motivated, and dedicated individuals in both the cooperative's management and staff. These individuals must be capable of effectively coordinating and guiding the cooperative's operations.

Through the cooperative's infrastructure, the development of both agricultural product sales and other products identified in the analysis would be supported. The analysis explored the possibility of launching a small entrepreneurial-craft incubator with business spaces available for interested entrepreneurs. However, the findings indicated that this approach was unsustainable due to the need for substantial infrastructure to establish and manage such a center. Additionally, the underdeveloped market, low purchasing power, and the high level of support required by aspiring entrepreneurs further complicate this initiative.

Therefore, it is recommended to promote entrepreneurship in the LC Kiseljak area through the infrastructure of the 'Kiseljak House' cooperative. This could involve using a central location with the necessary infrastructure (e.g., a kiosk) branded as Kiseljak House to sell agricultural products as well as other local specialties, such as Kiseljak pogača (pita) and unique pastries. This initiative should be supported by a robust marketing approach covering all aspects, from product/service development and pricing to distribution and promotion.

This strategy also supports other business areas, contributing to their development, including tourism and the identified needs for a bakery and butcher shop, leveraging current assumptions, prerequisites, and development potentials.

Improving road infrastructure has emerged as a key priority for overall development, particularly for agriculture and tourism, as poor road conditions affect accessibility and increase costs. The Husino - Kiseljak route has been specifically highlighted as a priority.

Human resources

Through the conducted research, including conversations with farmers and residents as well as empirical investigations, it has been determined that despite all the identified weaknesses, there remains a strong willingness and desire among the population to engage in agriculture, utilizing available resources. However, the knowledge related to this sector, particularly in marketing and market aspects, is insufficient to achieve the identified development potential.

In this regard, guidelines for the development of human resources for the advancement of agriculture in LC Kiseljak have been identified:

1. Strengthening the capacity of existing and potential farmers
2. Raising awareness and capacity regarding organic production
3. Increasing awareness of circular economy and resource efficiency
4. Enhancing awareness of the need for cooperation and networking
5. Improving knowledge about new technologies in agriculture
6. To reach these objectives, we recommend implementing the following activities, among others:
 1. Training in agronomy, management, marketing, and business planning, including specialized education in project management for both the local population and potential cooperative representatives.
 2. Training sessions, professional conferences, and similar events on organic production, along with providing mentors to develop an organic approach to production.
 3. Workshops and expert gatherings on circular economy and resource efficiency to identify and apply potential improvements in agricultural production.
 4. Workshops on the importance of networking and methods for connecting farmers.
 5. Training on new technologies in agriculture.
 6. Support for participation in local and regional trade fairs

Market

To develop the market for agricultural products from the LC Kiseljak area, it is crucial to enhance the bargaining power of producers, which can be achieved through the establishment of a cooperative. Given the quality of the agricultural products and the need for effective branding, it is essential to focus on developing a sales market capable of offering higher purchase prices. This could potentially involve targeting hotels, restaurants, well-stocked greengrocers, and similar businesses. Additionally, strengthening the marketing approach of the proposed cooperative, which may include a future web store for Kiseljak House, could contribute to expanding the market beyond the local area by providing delivery services to Tuzla, Živinice, and other locations. Supporting participation in agricultural fairs is also necessary to bolster the capacity of

farmers and the cooperative while furthering market development.

Assumptions

To ensure conditions for the sustainability and further development of agriculture in the LC Kiseljak area, it is necessary to create adequate prerequisites for its development.

- 1) Improvement of the regulatory framework
- 2) Strengthening cooperation and a synergistic approach at the LC level, particularly among farmers
- 3) Enhancing the capacity of existing and potential entrepreneurs

During focus groups, unresolved property rights issues related to the land used by residents for growing and producing agricultural products were identified as a barrier to development. This reduces the possibility of accessing agricultural incentives from various levels and implies a lower level of support for the sustainability of agricultural income. Therefore, it is necessary to analyze these issues' status in the coming period and support their resolution within the available opportunities.

Strengthening cooperation and a synergistic approach at the LC level, especially among farmers, is crucial for greater synergy in advocating for the overall progress of the LC, particularly in the field of agriculture. As previously described, a prerequisite for further agricultural development is also enhancing the capacity of existing and potential entrepreneurs in modern production approaches, current trends, agronomy, and marketing-commercial aspects of managing agricultural ventures.

Tourism

Guidelines for Tourism Development in LC Kiseljak

Based on the data collected during the analysis phase, the following potential directions for tourism development in LC Kiseljak have been identified. It should be noted that although this area has traditionally been recognized as a popular excursion destination and occasionally attracts nature enthusiasts, hunters, and anglers, there is a need to establish systemic conditions for a more significant development of tourism in this community. Key to tourism development, in addition to infrastructural prerequisites and natural resources, is the creation of a tourism offer based on the comparative advantages of the area. Potential directions for tourism development in LC Kiseljak include:

1. Development of rural tourism and agritourism
2. Development of sports and recreational tourism
3. Camping and fishing
4. Renovation of the "Šime Ešić" house as an attraction and comparative advantage
5. Creation of a website and social media pages aimed at promoting the specifics and potential of LC Kiseljak

Table 6. Forms of tourism activities in rural areas

Agritourism, rural estates, farms	Traditional agricultural experience
Outdoor activities	Recreation and relaxation in nature
Eco tourism	Responsible tourism that supports the protection of natural resources and maintains the well-being/social value of the local population
Rural experience (country tourism)	Tourists immerse themselves in everyday rural life
Cultural tourism in rural areas	Culture, history, archaeology, and other cultural aspects of the rural area
Other forms of tourism	Touring rural areas, events, festivals, outdoor recreation,

	production of local souvenirs, agricultural production, etc.
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According to the World Tourism Organization, rural tourism is based on natural resources, rural heritage, rural ways of life, and rural activities. Its development relies on a rural environment, preserved nature, accommodation in traditional countryside homes, Bed & Breakfast units with food, and similar facilities. LC Kiseljak possesses all the necessary characteristics for rural tourism development, if infrastructure requirements are met, a safe environment is ensured, natural areas are kept clean, dilapidated buildings are removed, and people's knowledge about tourism development (especially rural and agritourism) is enhanced. One of the key prerequisites for developing rural tourism is continuous collaboration among all stakeholders (public administration, agricultural holdings, local government units, associations, tourist boards, etc.).

In addition to rural tourism, LC Kiseljak has the potential to build infrastructure suitable for the development of sports and recreational tourism, attracting camping enthusiasts, as well as those interested in fishing and hunting.

Activities that can contribute to the realization of these potentials:

1. Arrangement of bike paths of varying difficulty
2. Arrangement of pedestrian paths
3. Construction of rest and picnic areas in harmony with nature
4. Development of a campsite near Lake Modrac
5. Creation of fishing spots with the involvement of fishing societies
6. Renovation and arrangement of the birthplace of writer Šima Ešić and its integration into a pedestrian or bike path
7. Creation of a website and social media pages for promoting specifics, offerings, activities, producers, active citizens, etc.
8. Integration of healthy food fairs into the tourist offer of LC Kiseljak
9. Organization of the Kiseljak food fair in Tuzla
10. Sports fields

Human resources

The data gathered through the presented methodology suggest that there is potential for developing specific types of tourism in this local community. However, it also highlights that the current knowledge in this sector is insufficient to fully realize these development opportunities.

Based on this data, guidelines have been identified for enhancing human resources to support tourism development (with a focus on rural tourism) in LC Kiseljak:

1. Improving knowledge in the field of tourism
2. Raising awareness about the importance of nature conservation
3. Enhancing awareness of the need for collaboration and networking
4. Upgrading knowledge about new technologies

To achieve the stated goals, we propose implementing the following activities, among others:

1. Training in rural, agro-, and village tourism
2. Business development training in tourism, including interdisciplinary education covering managerial, financial, marketing, and similar skills
3. Workshops and training on environmental protection, including cleanup and maintenance activities in collaboration with NGOs and municipal authorities
4. Workshops on promoting collaboration and the benefits of networking in rural tourism (such as connecting farms, accommodation providers, and food producers)
5. Training and workshops focused on digital literacy, with an emphasis on using social media for marketing and selling products and services

Market

In addition to establishing the conditions for tourism development and creating a tourism offer, it is essential to clearly identify the target groups for a tourism region—specifically, the tourists to whom the products and services are being offered.

1. Focus on residents and those from the surrounding areas of Tuzla
2. Attracting tourists by organizing specialized events for specific types of tourism (such as fishing, birdwatching, cycling, etc.)
3. Diaspora

Given the current capacities, knowledge, and infrastructure, the conditions are not yet in place to attract foreign tourists (except occasionally and in small numbers based on specific types of tourism). Therefore, the focus should be on attracting domestic tourists, particularly those from nearby areas (Tuzla, Živinice, Lukavac), as well as the diaspora. For different target groups, it is necessary to select appropriate marketing communication channels, which include using social media and creating a website.

Conditions for realizing the potential

To create significant opportunities for tourism development in this area and to make tourism a driver for overall development within the local community (since tourism also stimulates other service and production activities), it is essential to establish the necessary conditions for its growth.

Sustained, long-term tourism development in LC Kiseljak cannot occur without addressing several key issues: improving the shoreline of Lake Modrac, resolving property and legal disputes, tackling illegal construction, upgrading municipal infrastructure (particularly sewage and road networks), addressing illegal waste dumping, enhancing security, and improving the integration of the Roma population into the community of LC Kiseljak. However, in line with

the identified potentials, the upcoming period should focus on:

1. Enhancement of the Lake Modrac shoreline
2. Clearing of debris and illegal waste
3. Upgrading road and municipal infrastructure
4. Enhancing the safety of residents and property

Recycling and collection of secondary raw materials

Guidelines for recycling and collection of secondary raw materials

Attempt to formalize the operations of secondary raw material collectors, who could become one of Kiseljak's economic drivers in the future. Focus group analyses revealed that these individuals currently rely on this activity at their homes and intend to continue it going forward. They are committed to improving their practices wherever possible. To support this, it's crucial to continue existing initiatives and focus on boosting the competitiveness of their work. This can be achieved by modernizing processes, increasing productivity, providing training, and procuring essential equipment.

In addition to the economic benefits for the local community, the focus should also be on addressing ecological issues and mitigating the negative environmental impact caused by collectors who operate illegally and contribute to the creation of illegal dumpsites. While some licensed collectors properly transport the waste generated during material sorting to the Desetine landfill in Tuzla, others who operate illegally dispose of this waste at unauthorized dumpsites in natural areas.

It is also important that positive experiences of secondary raw material collectors who legally and successfully engage in this business could serve as motivation for others who illegally sort waste. This approach also includes exploring the potential for establishing a business or cooperative focused on waste sorting and processing. Moreover, drawing on successful

practices from other cities and neighboring countries could provide valuable insights for improving operations.

Concrete activities are needed to increase the capacity and involvement of Roma secondary raw material collectors in their integration and business development. It is essential to keep advancing partnerships and cooperation with the Roma community by strengthening ties with local businesses, public enterprises, local authorities, and other stakeholders.

Offering opportunities for this group and facilitating interactions between Roma residents and others, along with fostering communication and information exchange, would play a crucial role in addressing and reducing the stigma against Roma individuals.

Activities that can contribute to realizing these potentials:

1. Establishment of a recycling yard

After establishing the recycling yard, the focus should shift towards professionalizing recycling operations in Kiseljak through formalizing its use and management.

The proposal is to operate the recycling yard in collaboration with the City of Tuzla, where the city would provide a location they own and handle the formal issues related to the construction and establishment of the recycling yard. Funding should be sought from donor sources to facilitate a partnership among the local community, city administration, and donors during the setup phase.

During the initial phase of operation, it is crucial to formalize the recycling yard's procedures by establishing clear, written guidelines for its use and operation. Short-term management should be entrusted to a formal group of secondary raw material collectors, working alongside representatives from the local action group or community council. Building a strong partnership among all participants is essential. An innovative management model should be developed to ensure the recycling yard becomes a regular and effective practice for waste treatment and disposal.

Successfully running the recycling yard over the medium term could provide a basis for considering support for potentially establishing a secondary raw materials business, whether as a company or possibly as a cooperative. This establishment would boost the negotiating power of secondary raw material collectors in the market. In this context, it is beneficial to utilize successful models from other communities and neighboring countries.

The goal is to enable existing secondary raw material collectors to advance their operations and to serve as a positive example to attract those currently operating illegally to join and become partners in a successful secondary raw materials collection model.

3. Support for acquiring equipment to improve competitiveness and productivity. Collectors believe that certain recycling processes could be optimized, such as obtaining specialized furnaces for burning tires to recover metal as a secondary raw material.

Human resources

Alongside the establishment of the recycling yard, it is essential to continuously work on educating the population about the importance of environmental conservation and the various measures that positively impact the environment. The environmental impact involves not only Roma families but also other residents and lake visitors, including fishermen.

Based on the analysis, guidelines have been identified for the development of human resources to improve the skills of secondary raw material collectors:

1. Education for Roma secondary raw material collectors on the importance of applying occupational safety rules and health care
2. Raising awareness about the significance of nature conservation
3. Development of business skills over the long term, if the concept of supporting the establishment of a company or cooperative is realized. Collectors need to develop appropriate business skills for this type of enterprise.
4. Enhancing awareness of the need for collaboration and networking, and improving skills in building partnerships and cooperation.
5. Improving knowledge of modern waste separation techniques to boost

competitiveness and productivity.

Assumptions for the realization of this potential

Attempt to improve collaboration with JP Komunalac (Public Utility Company) through the LC council to intensify efforts in cleaning and maintaining the local community and addressing the issue of numerous illegal dumpsites.

Similarly, establish a stronger partnership with JP Veterinarska Stanica Tuzla (Public Company Veterinary Station Tuzla) to tackle the issue of stray dogs in Kiseljak. This includes focusing on microchipping, preventive castration, and vaccination of abandoned animals to address this urgent communal issue.

OTHER AREAS FOR BUSINESS DEVELOPMENT

Guidelines for the Development of Other Business Areas in the LC Kiseljak Region

Alongside agriculture, tourism, and the collection and recycling of secondary raw materials, which are the primary focus areas identified, empirical research and focus groups have indicated a need for expanding into additional business sectors in the LC Kiseljak region. The following guidelines outline strategies for developing these other business areas.

Considering the prevalence of large families and many households with young children, both focus groups with women from LC and the research itself have highlighted the need for a preschool facility with daycare services. Establishing such a service would fulfill a critical social need and make early childhood education accessible to local residents. Currently, due to the lack of available services, preschool-aged children are cared for at home by their mothers or older family members (grandmothers and grandfathers). This situation means that mothers cannot seek employment as they are dedicated to childcare. Additionally, the purchasing power of the local population is insufficient to afford private daycare and preschool services. Given the size of the families, as noted in the research, even if a mother

were to work, her potential salary would not cover the costs of these services. In this regard, given the unavailability of this service, which is a fundamental social need, it is recommended to support the establishment of public and/or private preschool institutions. This could include providing subsidies for childcare from the relevant authorities, particularly for larger families. Such support would make these services available to residents and create opportunities for employment or self-employment for women with young children in the LC Kiseljak area..

Residents of LC Kiseljak have expressed a significant need for a bakery and a butcher shop in the area. However, research indicates that similar businesses have previously existed but had to close due to an underdeveloped market. Considering this expressed demand, it is feasible to explore the establishment of these businesses with targeted support for potential entrepreneurs. This support could include financial aid for business equipment, provision of free or subsidized commercial space, assistance with worker retraining and upskilling, and other forms of professional, mentoring, and financial support to help these businesses survive at least during their first two years of operation. Additionally, it is important to integrate these businesses with the activities of a potential Kiseljak House, tourism development efforts, and other related initiatives.

Human resources

The outflow and shortage of qualified labor is a common challenge for almost all businesses in the City of Tuzla, Tuzla Canton, and Bosnia and Herzegovina. This issue also impacts various business sectors in the LC Kiseljak region. The following guidelines aim to address the development of human resources to support the expansion of other business areas in LC Kiseljak:

1. Providing subsidies and support for the retraining and upskilling of workers
2. Strengthening the entrepreneurial and managerial skills of aspiring business owners

To achieve the specified goals, we recommend implementing the following activities, among others:

- 1) Inform and connect interested entrepreneurs with the PI Employment Service of Tuzla Canton (JU Služba za zapošljavanje TK Biro Tuzla) to find suitable workforce and utilize programs for retraining, additional qualifications, and enhancing the skills of potential employees.
- 2) Subsidize the use of retraining and additional qualification programs for workers.
- 3) Provide education in entrepreneurship and management.
- 4) Organize professional conferences and training in business-related fields.
- 5) Support connections with domestic and international donors and facilitate access to funding.

Market

As previously described, the research findings indicate that the purchasing power of the local population is not sufficiently developed to support the sale and use of services and products from the proposed additional business areas at a level that ensures their sustainability. This is evident from the closure of previous bakeries and butcher shops due to the identified underdeveloped market.

Therefore, to ensure and develop the market, it is essential to subsidize the costs of using preschool services for the local population based on clear criteria. Additionally, for the bakery and butcher activities, it is necessary to provide support to entrepreneurs and integrate these activities with the operations of the potential Kiseljačka House, as well as with tourism development and promotional activities.

Assumptions

To ensure the conditions for the sustainability and further development of the identified activities, it is necessary to create the following prerequisites:

1. Support for strengthening the purchasing power of the population.
2. Subsidization of the use of products and services.
3. Support for promotion, market development, and distribution and procurement channels.

Other recommendations for the further development of LC Kiseljak

Within this analysis and research, additional resources and potential for the development of LC Kiseljak have been identified, as well as resources that need further enhancement and development. In this context, the authors also provide an overview of additional activities that would be beneficial to implement in the near future to contribute to the development of LC Kiseljak.

Strengthening the capacities of local associations

The research has revealed that LC Kiseljak is home to several associations that significantly contribute to its preservation and development. According to feedback from a youth focus group, two youth organizations in this LC have executed projects worth 80,000 KM over the past year. They have also installed artificial turf on a sports field, and the roughly 100 young participants in these organizations are enthusiastic about continuing their activities. FK Partizan Kiseljak and other sports clubs are among the few recreational options available to the local population. However, these clubs face ongoing challenges related to sustainability, staff shortages, and financial constraints. To address these issues, it is crucial to maintain and enhance these resources through education, professional guidance, capacity building, and creating conditions for professional work and employment, thereby continuing to support the development of LC Kiseljak.

Creating a platform for greater connections with the diaspora



LC Kiseljak has a significant diaspora that supports the community through donations, especially by enhancing the quality of visits for those returning to their hometown. This support includes backing sports clubs, the organization of events, and similar initiatives. However, there is no mechanism or system in place to facilitate greater involvement of the diaspora in local community development.

To address this, it is essential to create a diaspora database and organize forums, workshops, and other events during their visits, in collaboration with the Tuzla Community Foundation or other associations. This would help establish a foundation for philanthropic contributions and projects aimed at community development, while also raising awareness of investment opportunities in LC Kiseljak.

List of people interviewed during focus groups

Focus group held with informal treatment of secondary raw materials from LC Kiseljak – May 3, 2023

Merdanović Jusuf
Kadić Mirza
Mujić Senad
Mršić Beriz

Focus group held with young people from LC Kiseljak – May 3, 2023

Sprečak Emir
Halilčević Emina
Kamberović Adi
Ivić Gorana

Focus group held with women from LC Kiseljak – April 26, 2023

Merdanović Nermina
Jagić Jelena
Marjanović Vesna
Mustafić Sabina
Mujić Zejada
Mustafić Safija
Osmanović Amra
Aljić Mirsada
Mešić Silvana
Lević Jasminka
Mujić Nermina
Ferhatović Mevlida

Focus group held with farmers from LC Kiseljak – April 26, 2023

Kadić Jasmina
Elizabeta Pavić
Stjepan Pavić
Palavrić Jasmin
Spahić Mustafa
Demirović Fadila
Hasanbašić Jasmin
Mujkić Munib
Mršić Silvana