1. **TITLE OF THE PROJECT**
   THE PRODUCTION OF ORGANIC FOOD BASED ON FRUIT AND VEGETABLES

2. **SECTOR**
   Food industry

3. **LOCATION**
   The economic facility of the former Gradina distribution center is located in the center of the village of Kopači, municipality of Novo Goražde in the eastern part of the Republic of Srpska, BiH, Belgrade (Serbia) – Dubrovnik (Croatia) highway. The facility is connected with quality roads that lead towards large consumer centers in BiH (Sarajevo, Mostar,...) also with cities on the route Beograd-Dubrovnik, the Adriatic Sea and large consumer and especially tourist places of Serbia, Croatia and Montenegro.

4. **A SHORT DESCRIPTION OF THE PROJECT**

   The production of organic food based on fruit and vegetables in the economic facility - the Gradina Distribution Center owned by the municipality of Novo Goražde. The facility was specifically built to meet the needs of the wholesale supply of this region. The area of the facility is 6.200m², and with its corresponding land the are is 12.000m². Infrastructure: electric energy, utility connections, road signs and infrastructure, highway M20 which connects Belgrade (Serbia) and Dubrovnik (Croatia).
There is a cold storage within the facility that is owned by the HIP-EKS Company from Novi Grad. Cold storage has the capacity of 2000t of storage space with a tunnel for freezing fruit and vegetables, which gives the possibility of organizing the production and processing of fruit and vegetables. The region of the municipality of Novo Goražde and the upper part of the Drina River is preserved from polluters and that is a good base for growing organic fruit and vegetables. Also, fruit and vegetables are grown in a traditional way on the agricultural farms without the use of pesticides. Watercourses used for irrigation are free of industrial pollutants, the Drina River itself is a good base for developing water supply systems of agricultural crops. In this kind of environment and using the seedlings that are indigenous, the costs of the production of organic food are minimized. Beside the possibility of industrial food production, this facility might be used for other purpose such as wholesale trade which was its primary purpose until 2007. Also, it might be used as a storage space.

5. **DETAILED INFORMATION ABOUT THE PROJECT:**

**WHAT KIND OF PROJECT IS THIS?**
- Public-private partnership or
- purchase in order to implement investment projects of particular interest for the economic development of the municipality, in particular, under favorable financial conditions with employing the population of the municipality of the municipal population

**THE PROJECT STATUS**
Business idea – the project documentation will be made according to the needs of the potential investors.

**THE REASONS FOR INVESTING IN THE PROJECT**
The facility is located next to the M20 main road that connects Belgrade (Serbia) with Dubrovnik (Croatia), with its associated infrastructure. The location is 100 km away from the Sarajevo Airport and railway, about 250 km away from the Ploče Port in the Adriatic Sea, and 270 km away from the Brčko river port on the Sava River.
The upper part of the Drina River is a region with a good raw material base for the production cycle of food production based on fruit and vegetables. There is a cool storage near by the facility with the capacity of 2.000t and tunnel for freezing the fruit and vegetables. Also, the Drina River flows along the facility. There is a well-developed energy infrastructure (electric energy, coal), water supply and other utility needs.
In the foregoing environment there is not any serious capacities for food production. A relatively low investment in building (adaption) will have a favorable effect on reducing the fixed costs, and through them it will affect the cost of the finished product.

Professional, quality and housing provided labor force that will with the additional education be able to achieve high productivity and ensure the required quality that meets consumer needs.

The Republic of Srpska stimulates the development of agriculture and food industry through economic policy measures.

Long-term strategy of the European Union predicts capital investments in the countries of the Balkans, where agriculture and food industry are priority.

The possibility of product placement on the EU market and countries in the region. Recently, a great number of hipermarkets has been built in RS/BiH and countries in the region.

6. **FINANCING OF THE PROJECT:**

**SPECIFY THE ESTIMATED VALUE OF THE PROJECT IN EUROS**

The estimated value of the project of organizing food production is about €1,500,000.

The book value of the Gradina facility is about €500,000.

**PLANNED SOURCES OF FINANCING**

- public-private partnership
- facility purchase

**THE LOCAL PARTNER’S INPUT**

The municipality of Novo Goražde through the model of public-private partnership for starting the production - food processing based on fruit and vegetables or some other adequate production activity invests the Gradina facility as the owner with its associated infrastructure. The area of the Gradina facility is 6,200 m², and its associated land is 6,000 m². It was built on a concrete base with walls of solid material, the roof structure is metal, which relies on concrete construction with metal grid columns, roof covering is metal.

For investors who intend to buy the DC Gradina facility, conditions according to the Regulations on the conditions and modalities for the alienation of immovable property owned by the municipality of Novo Goražde are applied.

**THE INVESTOR’S INPUTS**

The investor in the PPP model should provide the necessary funds for the construction work of customizing the facility to the production, equipment needed for the production cycle, the necessary permits and approvals.
7. **IS THE PHYSICAL LOCATION FOR THE PROJECT REALIZATION DETERMINED**
   The DC Gradina facility is located in the center of the village of Kopači, municipality of Novo Goražde in the eastern part of the Republic of Srpska, BiH. The facility is owned by the municipality of Novo Goražde and has all the required permits. It has all the necessary infrastructure that is very good condition.

8. **HAVE THE ACTIVITIES ON THE REALISATION OF THE PROJECT ALREADY BEGUN**
   So far the realized activity is the adoption of the Regulations on the conditions and modalities for the alienation of immovable property owned by the municipality of Novo Goražde, with the aim of realization of investment projects of particular interest for economic development of the municipality („Official Gazette of the Municipality of Novo Goražde“, no. 17/15) by the Novo Goražde assembly municipality.
   “The production of organic food based on fruit and vegetables” project is defined by The Local Sustainable Development Strategy of the municipality of Novo Gorazde that is in priority: economic development, strategic aim: creating a favorable business environment for easier and faster development of the economy and entrepreneurship in the program: the creation of favorable conditions for attracting domestic and foreign investors.

9. **THE PROJECT APPLICANT WITH CONTACT INFORMATION**
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