



ISLAND OF CRES

TERRITORIAL STRATEGY



2016 – 2025





LOCAL DEVELOPMENT
PILOT PROJECT "ISLAND OF
CRES"

ISLAND OF CRES TERRITORIAL STRATEGY

PROJECT IMPLEMENTED BY:



OTRA d.o.o.

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Town of Cres

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supports democratic culture, produces citizenship and, by helping public action to respond better to society's needs, creates a new set-up for "living together".

The LDPP implements the principles of the Council of Europe's European conventions, particularly the *Framework Convention on the Value of the Cultural Heritage for Society* and the *European Landscape Convention*.

INTRODUCTION

Development Strategy for the Island of Cres was prepared within the Local Development Pilot Project "Cres Island" and is one of several documents elaborated during its implementation.



PROJECT BACKGROUND

Local Development Pilot Projects (LDPP) is an international programme that was jointly implemented by the Council of Europe, several countries from South East Europe and Cyprus (2003-2015). The LDPP was based on territorial and localised approach that promotes:

- democratic culture;
- specific development model;
- social and economic value of the heritage.

The main objective of the LDPP was to test innovative development models based on extremely rich natural and cultural values of the heritage in rural territories. Numerous crisis that Europe has been facing call for new solutions

based on localised and territorial approach, democratic culture and new development models that promote **social and economic value of the heritage**.

Development objectives of these models are focused on people, their well-being and a better quality of life. Great attention is therefore paid to strengthening democracy and promoting more efficient and transparent territorial governance and development.

The participatory approach thus applied to local development then capitalises on human resources and the dynamism of communities. It is assumed that the active role of citizens in the transformation process that affects their living environment stimulates society,

LDPP IN CROATIA

Trying to address its own specific challenges, Croatia joined the LDPP programme in 2008, in attempt to contribute to creation of new global European strategy that will respond to social expectations, specifically those connected to reinforcement of democracy, more efficient institutions and greater civil participation in local development. **The island of Cres** was chosen as the pilot territory by the Republic of Croatia.

The features of the island of Cres best meet the needs of the project: it has rich natural and cultural heritage, it is poorly developed - especially in terms of tourism, its traditional economy is quite well preserved and present development models do not offer solutions to new challenges. The population density is

very low so the protection, revitalisation and valorisation of the elements that make Cres unique represent a big challenge for the small local community and competent institutions.

The LDPP implementation in Croatia was coordinated by the Ministry of Culture that was in charge of the **Interministerial Commission** composed of representatives appointed by the Ministry of Tourism, Ministry of Environmental and Nature Protection, Ministry of Regional Development and EU Funds and Ministry of Construction and Physical Planning. At regional level, the LDPP project implementation was managed by the **Steering Committee of the project** composed of 15 members, representing local and regional stakeholders.



THE STARTING POINT FOR THE ELABORATION OF THE STRATEGY

This project outlines a framework for consultations and the exchange of opinions by incorporating a wide spectre of public and private subjects in a debate on the future of the island of Cres, that will lead to cooperation and partnership among local stakeholders, public administrations, private businesses and national or international partners. The result of this participative process should be set out in a document called the Territory Charter, i.e. **The Development Charter for the Island of Cres**.

The charter will set out the main strands of work agreed by the partners and guide the measures to be taken in the territory by the various private and public players over the middle and long-term. **The Charter will have to be adopted and signed** by various LDPP partners and other stakeholders at national, regional and local levels, which will represent their explicit commitment to realise the vision it sets out. The elaboration of the Charter passes through three main phases of the LDPP process that allow the drawing up of:

- Territorial Diagnosis,
- Development Strategy,
- Action Plan.

The first phase of the project was completed in 2014 and produced the

Territorial Diagnosis, a document that offers a descriptive interpretation of the situation on the island of Cres and identifies its strengths and problems. The process was based on 18 workshops that carried out comprehensive collective analysis and consultations in order to arrive at a consensus on the existing state of affairs and to identify the advantages and weaknesses, i.e. the opportunities and the threats that the island is facing. The Territorial Diagnosis in its conclusion identifies **three major issues at stake**:

1. The sustainable exploitation of the territorial heritage resources as leverage for the creation of attractive jobs for the youngest generations.
2. The mobilisation of all stakeholders to support and manage a common development project.
3. The multiplication of local initiatives for maintaining the quality of the territory and the sustainability of its resources.

These issues were the starting point for the implementation of the next phase of the process and elaboration of the **Development Strategy for the Island of Cres**.

THE DRAFTING OF THE STRATEGY

Bearing in mind all the specificities of the LDPP programme, the drafting of the Strategy took into consideration the heritage, the territory and all its resources, integrative multisectorial approach, long-term approach, local democracy and the participation of all stakeholders.

As in the Territorial Diagnosis elaboration, particular attention was paid to encouraging **participation of all project partners and a wide spectre of stakeholders interested in the island development**. It was based on principles of **transparency and cooperation**, so all the decisions are clear and in accordance with attitudes of all stakeholders, which is an important prerequisite for their future involvement in the implementation of the strategy. The participation of numerous stakeholders facilitated aligning of the strategy with similar documents at different levels, from local to national.

The elaboration of the Strategy was carried out through a series of workshops that involved representatives from **public institutions** at local, regional and national level, representatives of **entrepreneurs and business associations** on the island and representatives of **the civil sector**.

The total of four workshops identified and debated four main topics:

Workshop 1 (23 April 2015) – Issues at stake identified in the diagnosis / the vision of the long-term island development

Workshop 2 (21 May 2015) – New ideas for the island development (orientations, actions, initiatives) / representation of the good practices in Croatia and the EU

Workshop 3 (18 June 2015) – Strategic guidelines and priorities of the island development / spatial distribution of developmental priorities

Workshop 4 (18 December 2015) – The draft proposal of the strategic development framework

The first workshop was followed by three debates with **focus groups** - homogeneous working groups of representatives of a specific sector (the young, entrepreneurs, elected political representatives at local level) that took part in a comprehensive debate on the vision of the island development and possible new development initiatives.

Organisation of workshops, moderation of debates and preparation of the draft proposal of the development strategy was carried out by the members of the Project Implementation Unit, which coordinated the whole process with experts from the Council of Europe. Elaboration of the strategy was supported by the members of the Interministerial Commission and the Steering Committee of the project.



FEATURES OF THE STRATEGY

The drafting of the planning documents regarding development of an area is defined by the *Act on Regional Development of the Republic of Croatia, Official Gazette No 147/14*, which defines the preparation of the Strategy of Regional Development of the Republic of Croatia, guidelines for preparation of county development strategies and development strategies of urban areas. According to this Act, local self-government units with central settlements that have less than 10,000 inhabitants are not obliged to prepare development strategies. Nevertheless, numerous smaller towns and municipalities have elaborated their own strategic documents over the recent years. The elaboration of these strategies was often focused only on the formal requirements, since the existence of a development strategy is a prerequisite for the EU-funded projects. These strategies usually refer to the period until 2020 to align with the strategies at national and EU levels covering a seven-year period (2014-2020).

As already mentioned, the **Development Strategy for the Island of Cres** was prepared within the **Local Development Pilot Projects**, which is why some of the elements of the innovative approach used in the implementation of the LDPP are reflected in the Strategy itself. The following paragraphs define some of the

features of this strategy that differentiate it from the present Croatian practices in preparation of similar planning documents.

First, it should be pointed out that this Strategy was not prepared pursuant to a certain legal provision or by the initiative of one of the units of the local self-government. Independent of spatial limits, deriving from the stated cases of planning documentation preparation, the strategy comprises areas that are not defined by administrative boundaries of the local self-government units, but relates to a wider **area of homogenous geographic and cultural-historical features**. Because it does not have “legal basis”, and refers to areas that are under the jurisdiction of two local self-government units (the Town of Cres, and partly the Town of Mali Lošinj), its implementation requires innovative approach and solutions.

Unlike other development strategies, which, according to the planning cycle at national and EU level, refer to the period of seven years (2014-2020), this strategy covers a **ten-year period**, until 2025. If we consider the complexity of implementation of structural changes in the economy and society at local level, the development plan for a longer period provides greater possibilities of achieving determined strategic objectives. Consid-

ering the time span defined by the strategy, we should also bear in mind that the **vision** of the island development refers to the year 2035, i.e. 20 years after its drafting took place.

In search of a specific model of local development, the LDPP prioritises **social and economic values of the heritage**, as the basic local development resources. Great attention was also paid to promoting more efficient and transparent **territorial governance and development**. Therefore, a great importance is given to preservation and valorisation of local resources and strengthening the role of local stakeholders in the future development of the island, while the infrastructure projects are left under jurisdiction of development plans of the local self-government units.

In the planning process and implementation of the long-term development strategy, it is necessary to align the vision, strategic objectives and priorities with strategic documents at county, national and EU level. Therefore, this strategy is consistent with the *Primorsko-Goranska County Development Strategy 2016-2020* (published in October 2015), sectorial national strategies and the *Europe 2020* strategy. Coordination of objectives is important in applying projects for national and EU funding which can facilitate the realisation of those measures that go beyond financial or investment capacities of the local community.

The **Development Strategy for the Island**

of Cres was elaborated on the basis of comprehensive consultations including numerous participants, and it consists of established strategic directions of the future island. The contents of this paper should not be perceived as final and unchangeable. Depending on the future needs of the local community and a change of conditions in a wider area, the strategy will be adapted, updated and developed. All stakeholders involved in its preparation will have the freedom to comment and make suggestions during the implementation phase in order to adapt the strategy and to find solutions for new problems and challenges.

This document presents strategic guidelines, objectives and priorities of the long-term development of the island of Cres. It was compiled on the basis of the contributions of people who invested their time and energies, and who believed that the LDPP process could propose new, different and positive perspectives on the island's future. All those involved in the working groups and partners at national, regional and local levels must be thanked for their contribution.





VISION

The **Vision** is a concise presentation of the future desired state of the island of Cres and provides an answer to a question of how we see the island in 2035. In addition to the issues identified in the Territorial Diagnosis, the vision presents a starting point in the process of strategic planning. However, in the implementation phase of the strategic plan, this vision will become the goal, and will help set the direction and find a way towards the desired objectives. The Vision of the island of Cres was defined within a workshop that involved stakeholders from the public sector at local, regional and national level and representatives of local business and civil sectors. The workshop produced the text of the vision, but also the key words that describe its content the best.



VISION OF THE ISLAND OF CRES IN 2035

The island of Cres is a **desirable place to live** for all generations.

The **self-sustainability of the island** was achieved by using local resources, producing food and energy, constant improvements of the infrastructure and preservation of ecological stability and authenticity of the island.

Once **neglected land and real estates**, as potential economic resources, **were put in use** by resolving legal ownership issues and by applying a new legal model for its usage.

Numerous family economies **revitalised** traditional agriculture and old trades. By developing **selective types of tourism** and putting cultural and natural heritage in use, the island of Cres became a

competitive and attractive **all-year-round tourist destination**.

The development of new and the expansion of the existing economic activities produced **polycentric development** of the island and **better transport connections**. New job opportunities and numerous self-employment options enabled **attracting new inhabitants, retaining the younger generations and finally, population growth**.

Local governance actively contributes to solving problems and meets the needs of its residents.

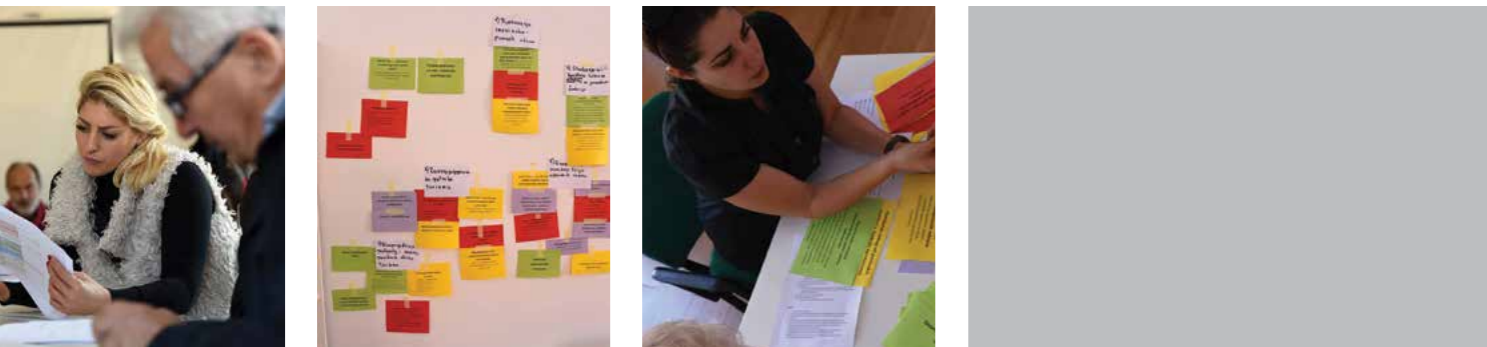
Cohesion and solidarity of the island community and high **standard of living** characterise the island.

KEY WORDS

- # self-sustainability
- # authenticity
- # population growth
- # local resources
- # all-year-round tourism
- # life standard
- # cohesion
- # solidarity
- # polycentricism

This vision sets out important strategic development guidelines for the island of Cres. A special focus was given to reinforcement of self-sustainability, use of local resources for economic growth and encouraging the population growth.





STRATEGIC GUIDELINES AND OBJECTIVES

After the current state of the island was analysed and development issues were identified in the Territorial Diagnosis, the Vision elaborated a desired future state of the island in 2035, and finally, strategic guidelines, objectives and priorities should provide possible outcomes of the issues at stake identified in the diagnosis, i.e. elaborate the realisation of the vision.

Strategic guidelines, objectives and priorities are set out in a systematic, hierarchical sequence and give a first impression of horizontal connectivity only. However, they are intertwined and complementary and only their joint and integrated implementation will provide realisation of the vision that can be considered a long-term, overarching objective of this strategy.

Strategic guidelines are at the highest hierarchical level and indicate long-term directions that should be followed in island development, and should be active even after the expiry of the time limit of the strategy implementation. Guidelines derive from the results of diagnostic phase and development vision. Strategic objectives are elaborated within each guideline.

Strategic objectives are set out in guidelines and their time horizon is somewhat shorter and covers the period of the strategy implementation. In other words, upon the completion of the strategy implementation, most of the determined objectives should be realised.

Each strategic objective contains one or more **operational objectives** that provide measures by which a strategy is operationalized.

Measures represent an implementation programme that elaborates each objective in a more comprehensive and operational way. They indicate objectives of each measure, manners of implementation, set of activities, expected results and the indicators thereof, time horizons of the implementation and responsible stakeholders and partners.

Measures will be additionally explained in a document called the Action Plan.

The Development Strategy for the Island of Cres is based on 4 **strategic guidelines** and 12 **strategic objectives**.

1. Affirmation and valorisation of the island identity

- 1.1 Preserving the natural and cultural heritage through its sustainable use in new development initiatives
- 1.2 Strengthening community capacity to manage the heritage
- 1.3 Raising community awareness of the values and potentials of the heritage



2. People and quality of life in the midst of development

- 2.1 Equalization in access to some public and commercial services with bigger urban areas
- 2.2 Improving demographic picture of the island by decreasing emigration and facilitating immigration of new residents

3. Diversification of economy based on local resources

- 3.1 Developing economically sustainable and ecologically responsible agriculture
- 3.2 Prolonging the tourist season and developing responsible tourism
- 3.3 Reducing the dominance of tourism sector by developing new, ecologically and socially acceptable economic activities

3.4 Facilitating realisation of development initiatives by solving property law problems

4. Joint governance and shared responsibility for the island development

- 4.1 Strengthening human and information resources necessary for quality governance of island development
- 4.2 Improving cooperation and coordination among stakeholders involved in island development and different development initiatives
- 4.3 Strengthening the capacity of the stakeholders to launch new development initiatives by developing cooperation with other areas





CONTEXT

The island of Cres has a unique and recognisable spatial identity deriving from its various natural and geographic characteristics, well-preserved Mediterranean architecture and specific landscapes. The island gives a first impression of almost absolute naturalness and intactness despite the prevailing anthropogenisation of its territory. It is an evidence of millennial harmonious interactions between people and nature with minimal negative consequences upon natural landscape. The constant decline of the population and the abandonment of the rural areas, together with the lack of economic development, particularly investments in the tourism sector, contributed to the preservation of the landscape, the cultural heritage and the unique atmosphere of the island. Despite their positive impact upon the

STRATEGIC GUIDELINE 1

AFFIRMATION AND VALORISATION OF THE ISLAND IDENTITY

preservation of the island authenticity, the long-term maintenance of these conditions will increase the risk of changes within landscape, rapid deterioration of architectural heritage and the loss of its specific identity.

Intact nature, high biodiversity rate and specific spatial and cultural identity provide numerous comparative advantages to the island and can be used in its future development. At the same time, preservation and valorisation of the island identity represent a big challenge for the small island community with limited financial resources. Therefore, it is necessary to raise awareness of the local community of the values and potentials of the heritage and to mobilise it for new development initiatives for the purpose of using and preserving island identity.

This strategic guideline contains two strategic objectives:

- 1.1 Preserving the natural and cultural heritage through its sustainable use in new development initiatives
- 1.2 Strengthening community capacity to manage the heritage
- 1.3 Raising community awareness of the values and potentials of the heritage



CONSISTENCY

This strategic guideline is in line with the *Primorsko-Goranska County Development Strategy 2016-2020*, more precisely, with its priority 2.2 *Sustainable management of the environment, space and natural and cultural-historical heritage*

STRATEGIC OBJECTIVE 1.1:

Preserving the natural and cultural heritage through its sustainable use in new development initiatives

Abundant natural resources and rich cultural heritage of the island are equally well preserved and contribute to the creation of the island's authentic atmosphere. The specific value of its heritage is not represented by several exceptional, individually protected cultural sites, i.e. protected species or habitats, but by the island itself, as a complex of numerous natural and cultural elements. Preservation of its high authenticity rate cannot be achieved by regular individual protection measures in the domain of environmental or cultural heritage legislation. The only efficient way of preserving the heritage (identity) of the island is to use it in the context of sustainable development.

The decay of a part of architectural heritage began with the loss its original function and its abandonment. The only sustainable solution that can save it from further deterioration is the re-use of the abandoned buildings. New economic and social trends, especially in the tourism sector, offer numerous opportunities for the rehabilitation of these buildings - returning to their original function or conversion to other types of use. Resources connected to natural heritage, forests, exceptional

landscapes and renewable energy sources provide opportunities for new economic activities. The sustainable use of these resources will encourage development but also preserve island identity.

Operational objective 1.1.1:

Rehabilitation of the part of abandoned architectural heritage

- Rehabilitation of shepherds' dwellings and other abandoned buildings
- Elaboration of expert guidelines for reconstruction of old houses
- Elaboration of the management plan for the endangered architectural heritage

Operational objective 1.1.2:

Improvement of biodiversity protection outside protected areas

- Monitoring the state of the most endangered species and areas
- Initiating activities in the research-educational centre in Beli

Operational objective 1.1.3:

Preservation of landscapes significant for retaining the identity of the island

- Protection of valuable landscapes and vulnerable areas
- Rehabilitation / revitalisation of valuable rural (agricultural) landscapes
- Integrating landscape aspects in basic forest economies

Operational objective 1.1.4:

Development of innovative management and multifunctional use of the forests

- Encouraging cooperation among private forest owners and economic use of the forests

Operational objective 1.1.5:

Improvement of nature protection by active involvement of the inhabitants

- Promoting energy efficiency and use of renewable energy sources
- Increasing the proportion of sorted waste

STRATEGIC OBJECTIVE 1.2:

Strengthening community capacity to manage the heritage

In comparison to other big Adriatic islands, the island of Cres is characterised by extremely low population density (7.5 inhabitants/km²). If this information is considered in relation to its extremely rich natural and cultural heritage, located on a large surface with such a low number of inhabitants, it becomes obvious that the local community does not have the capacity to preserve and valorise its heritage on its own. On the other hand, the capacity of the public institutions is also insufficient to monitor and protect that rich heritage, considering the lack of resources for monitoring the officially protected natural and cultural heritage.

The good experience that the NGO sector has had in terms of preservation and valorisation of the heritage up until now represents a potential for the extension of its activities and further enhancement of its efficiency. A better cooperation between the public and civil sector, through coordination of their complementary activities, can generate synergy and strengthen the capacity for heritage governance.

Some initiatives should also include the private (business) sector. For example, greater involvement of the owners of the abandoned buildings and the local community, in adequate cooperation

with the competent conservation service, should provide the interdisciplinary rehabilitation of architectural heritage, which in present terms represents unused development potential.

Operational objective 1.2.1:

Improvement of cooperation between local stakeholders and institutions in charge of heritage protection

- Encouraging initiatives that support activities by the public authority bodies
- Developing innovative ways of cooperation among public institutions and other stakeholders

**STRATEGIC OBJECTIVE 1.3:**

Raising community awareness of the values and potentials of the heritage

Long term mobilising of the local community for new development initiatives related to heritage is not possible without a change of inhabitant's perception of the significance and value of the heritage. Re-use of the heritage in innovative ways presents development opportunity and the whole community should become aware of this fact.

One of the ways to achieve this is to integrate the civil sector and members of the local community into initiatives and actions launched by public institutions and local authorities. For the purposes of raising awareness of the social and economic value of the heritage, the Council of Europe has launched the so-called Faro initiatives, which should include the heritage community of the island of Cres.

Operational objective 1.3.1:

Strengthening the civil sector role in preservation of the heritage

- Raising the capacity of the civil society organisations interested in heritage and strengthening synergy among stakeholders
- Raising awareness of the economic potential of the heritage
- Encouraging the work of the heritage community (Faro initiative)
- Raising awareness of the young and promoting importance and value of the heritage



CONTEXT

There is a close connection between people and development - on one hand, the development is a prerequisite for the improvement of well-being and the enhancement of quality of life, while on the other hand, development itself would not be possible without ambitious and educated people.

Since the middle of the last century, the island of Cres has been affected by depopulation defined by two phenomena: the first is a rapid decrease in the number of inhabitants in smaller settlements, and their concentration in the town of Cres, while the other refers to a somewhat slower, but constant decrease of the total number of inhabitants.

STRATEGIC GUIDELINE 2

Smaller island settlements have mainly

PEOPLE AND QUALITY OF LIFE IN THE MIDST OF DEVELOPMENT

developed further from the sea, near arable land or pastures. Considering the fact that such location has not favoured the development of tourism, which has mainly been based on the vicinity of the beach, the population in these areas remained oriented towards the traditional agriculture that has lost its competitiveness. These settlements are quite isolated and have very little or no attraction as places for living, since they do not provide relevant opportunities for creation of new values (employment), nor do they satisfy the needs of everyday life and social interactions and they do not have any type of services available. Therefore, the young people have mainly left these settlements and moved to Cres or the mainland. Emigration of the young population is noticeable even in the town of

Cres, although it is very well equipped with technical and social infrastructure that provides its residents with a high level of comfort and security of living.

Unfavourable demographic image with negative natural increase, due to the aging population and departure of young people, can become a serious problem for the labour market and development of economic activities on the island. Namely, the future development of the island, based on the innovative use of local resources, will not be possible without sufficient number of qualified and creative professionals.

Attracting of new (young) residents, with decrease in emigration, can compensate for the aging of the population and negative natural increase. The creation of new business opportunities and jobs and pleasant life style could retain young islanders and attract new residents, but only if the needs of everyday life are satisfied in accordance to contemporary standards.

This strategic guideline contains two strategic objectives:

- 2.1 Equalization in access to some public and commercial services with bigger urban areas
- 2.2 Improving demographic picture of the island by decreasing emigration and facilitating immigration of new residents



CONSISTENCY

This strategic guideline is in line with the Primorsko-Goranska County Development Strategy 2016-2020, more specifically with the measure 1.5.5. *Improving access to and use of information and communication technologies*; the priority 2.1 *Balanced development of micro-regions and improvement of territorial cohesion*; the priority 3.4 *Promoting social security and strengthening social inclusion*, and the priority 3.5 *Improving the quality and availability of sports and cultural activities*.

STRATEGIC OBJECTIVE 2.1:

Equalization in access to some public and commercial services with bigger urban areas

Differences in a way and quality of life between larger urban units and rural settlements can be considered from different points of view. One of the most significant differences and motivational factors that affect the migration flow from village to town refers to considerably better employment possibilities, i.e. the belief that the town offers better solutions to existential issues. Rural inhabitants often move to bigger (urban) settlements due to dissatisfaction with weak infrastructure, lack of transport connections of the rural areas and unavailability of public services. In addition to the equipment rate of the public infrastructure, (water supply, wastewater, electrical power, telecommunications, etc.) the quality of life of the local community is also defined by development rate of its social, cultural and economic activities that enable the local community to satisfy its needs. Inhabitants of rural areas demand greater balancing of basic conditions that affect quality of life in rural and urban areas.

Majority of the island inhabitants have access to basic communal infrastructure. However, over the last several years this imbalance has increased in terms of possibilities, quality and price of the

access to broadband Internet, which is becoming a basic feature of the public infrastructure in the contemporary world. Information and communication technologies have more and more impact on the life of contemporary people and influence its quality. Restricting the access to Internet, even if it is only technical, can lead to digital segregation of the society, even extend to a type of democratic segregation (unavailability of ICT use due to mobilisation and participation in public life). Facilitated access to broadband Internet will have a significant impact upon economic and social aspects of life in rural areas. In addition to the technical possibility of Internet use, important factors that can prevent social segregation are education, development of skills, motivation, etc., and coordination thereof should be carried out by interaction of technological



development, marketing mechanisms and public policies.

Availability of public services on the island (the town) of Cres is rather low, which in the end results in higher costs for the inhabitants, in terms of money and time, since they often have to travel to Mali Lošinj or even to Rijeka for these purposes. It mainly applies to specialist health services, but also to regular administrative services by the public administration (Croatian Pension Insurance Institute, Croatian Health Insurance Fund, registry office, etc.). In order to expedite procedures and cut expenses of the inhabitants it is necessary to find innovative solutions to enhance availability of the public services that can improve the quality of island life.

Another important factor that affects quality of life is the transport connection between the island and the mainland. Although there have been recent im-

provements in the transportation sector, particularly ferry and car-ferry lines, additional measures should facilitate connections of local inhabitants and farmers with the mainland.

Operational objective 2.1.1:

Improving access to and use of new information and communication technologies

- Balancing availability of information and communication services throughout the island
- Promoting use of information and communication technologies for all ages and small artisans

Operational objective 2.1.2:

Increasing availability of public services and transport connections

- Increasing availability of public institutions services
- Improving services and reducing the prices of public maritime transport



STRATEGIC OBJECTIVE 2.2:

Improving demographic picture of the island by decreasing emigration and facilitating immigration of new residents

Solving residential issues is a factor that, right after availability of employment, mostly affects the decision on immigration of new residents, i.e. emigration of the young from the island. Tourism and limited island market influence the price of goods and services, including the high real estate prices and flat rentals in comparison to regular income. Availability of flats for rent all-year-round is very limited because they are being offered on tourism market during summer. It is necessary to develop innovative rental policies that would provide residences for the young and for needed professionals that are unavailable on the local market.

Social and cultural activities highly affect the perception of quality of life in the local community / settlement. Tourism, as the basic economic activity of the island, impacts various aspects of life of the local inhabitants, including their cultural life. Namely, cultural events are mainly concentrated in the summer season, and they are predominantly tourism oriented (numerous local inhabitants working in tourism do not have the time to participate in these activities). Lack of cultural activities outside season

contributes to the sense of isolation and winter stagnation. Opportunities for participation in organised cultural activities are even less frequent in smaller settlements.

Operational objective 2.2.1:

Providing available flats for young people and immigrants

- Development and diversification of the all-year-round accommodation

Operational objective 2.2.2:

Enhancing attractiveness of the island as a place of living by encouraging social activities and cultural events

- Animating the social life in smaller settlements
- Increasing the number of cultural events outside the season



CONTEXT

The dominant tourist activities are causing the fragility of the island economy. The main tourist product is defined by the “sea and sun”, developing extremely seasonal tourism character. The dominant seasonal tourism produces fluctuations in the employment rate. The demand for labour force, especially high qualified, is rather restricted in other sectors.

Traditional agriculture represents the island’s economic activity as well, but it has been stagnating for a long time. Because of the lack of professional farmers, agriculture today merely represents a preserved aspect of traditional life, and not a proper economic activity. For the most of the inhabitants, it only generates an additional income, so entrepreneurship, and a will to improve and

STRATEGIC
GUIDELINE 3

DIVERSIFICATION OF ECONOMY BASED ON LOCAL RESOURCES

expand the production is missing. Another significant obstacle for the development of agriculture is the presence of allochtonic wild species, additionally demotivating the farmers.

There are no more production facilities that employed the majority of the inhabitants, (fish processing factory, textile factory), while some, like fishing and shipbuilding are in constant decline. In the recent few years the island economy developed new activities, the most significant being mariculture - a new growing activity that employs the majority of the local inhabitants. The complicated land ownership relations, in terms of private and public property, represent a big obstacle for the local development.

This structure of the island economy does not generate permanent jobs; that is why majority of the young inhabitants leave the island and the number of newcomers remains minimal. The structure of the island economy has to be changed, in order to improve the balance between tourism and other activities, and stimulate the development of the entire island community. Innovations are fundamental for this process, especially when taking into account the existing unused resources offered by the island. The final aim is to develop original niche activities in specific markets for which the island could have a comparative advantage and to develop products and capacities to welcome visitors all around the year. The consensus between the stakeholders is that new activities should correspond to the specific island way of life and be defined and managed in order to preserve the authenticity of the island and the quality of the living environment.

Diversification of island economy should be based on encouraging private initiatives, particularly small and medium artisanal enterprises developing local products (rich architectural heritage, extreme biodiversity, typical agricultural products, forests, sea, etc.).

A precondition to generate and develop new initiatives is the development of entrepreneurial and professional qualifications and skills of local stakeholders.

This strategic guideline contains four strategic objectives:

- 3.1 Developing economically sustainable and ecologically responsible agriculture
- 3.2 Prolonging the tourist season and developing responsible tourism
- 3.3 Reducing the dominance of tourism sector by developing new, ecologically and socially acceptable economic activities
- 3.4 Facilitating realisation of development initiatives by solving property law problems

CONSISTENCY

This strategic guideline is in line with the Primorsko-Goranska County Development Strategy 2016-2020, more specifically with its objective 1. *Developing competitive and sustainable economy.*

STRATEGIC OBJECTIVE 3.1:

Developing economically sustainable and ecologically responsible agriculture

The agricultural production of the island is mainly based on lamb meat and olive oil production. Other agricultural activities are represented to a lesser extent. Over the recent decades, the island agriculture has become an additional activity, so there are only few people left in this sector. The production is based on very extensive methods and is predominantly stagnating or suffering slow decline. There are no new initiatives, and a great demotivating factor is the presence of allochtonic wild species, causing significant damage to farmers. For future agricultural development, it is important to increase olive oil and lamb production, but also to revitalise the production of traditional products and incorporate new products and services. It is also important to increase the number of professional farmers and develop their entrepreneurial skills. A prerequisite for the expansion of agricultural production is to decrease the damage caused by allochtonic wild species, i.e. their eradication. All agricultural activities should be based on

principles of sustainability and ecological acceptability in order to reduce their impact upon the environment as much as possible.

Operational objective 3.1.1:
Strengthening entrepreneurial activities and cooperation among farmers

- Continuing education of agricultural producers and providing professional support
- Strengthening cooperation among agricultural producers
- Promoting agricultural activities among young generations

Operational objective 3.1.2:
Incorporating innovations and diversification of products and services of family farms (*OPG*)

- Revitalising production of previously important agricultural products and development of new
- Increasing production and processing of fruit and vegetables
- Expanding activities of agricultural farms (tourism, forestry, old trades, etc.)
- Branding local products of great additional value and intensifying advertising activities
- Promoting production methods that respect environment and landscape

Operational objective 3.1.3:
Eradicating allochthone species

- Controlling the number of wild species
- Using integrated fishing techniques
- Establishing professional body to coordinate fishing activities based on the action plan

STRATEGIC OBJECTIVE 3.2:

Prolonging the tourist season and developing responsible tourism

Tourism is the most important economic sector of the island of Cres. It is poorly diversified, focused on summer holidays, characterised by extreme seasonality and mainly oriented towards family tourism. The seasonality is mainly caused by the structure of accommodation capacities, represented by camping sites, family owned rooms and apartments, and extremely low number of hotels. This causes numerous economic, socio-cultural and ecological consequences, among which the fluctuation of the employment rate has the most impact on the local community. The high demand for seasonal labour creates economic instability among the inhabitants and has a negative effect on young people, who tend to emigrate from the island in pursuit of permanent jobs. Apart from tourism sector, seasonality is reflected in other service sectors that are directly or indirectly connected to tourism. That is why the prolonging of the season, as one of strategic objectives, can contribute to the development of the entire island economy.

The present tourism model does not take the advantage of all the specific features of the island that should become the basis for the development of innovative

tourist offer all-year-round. With the development of nautical tourism that already contributes to the prolonging of the season, there is a big potential for development of other outdoor activities. One of the prerequisites for prolonged season is definitely the improvement of public and private tourist infrastructure. Numerous tourism actors have based their individual actions on uncoordinated initiatives, and failed to produce synergy. Therefore, the measures for prolonging the season include those that aim to improve the dialogue and cooperation among different stakeholders in tourism, and that should produce new, more complex tourist products of great additional value.

Operational objective 3.2.1: Developing innovative tourist products based on island's specificities

- Encouraging innovative entrepreneurship and development of new types of tourism (rural, cultural, educational / scientific, diving, sports in nature, etc.)
- Encouraging production of recognisable souvenirs
- Establishing interpretation centre
- Promoting the principle of responsible tourism

Operational objective 3.2.2:
Improving tourist infrastructure in function of developing new tourist products

- Renovating the existing and developing new public infrastructure
- Improving the existing business infrastructure
- Developing new business infrastructure by investing in small hotels or other tourist facilities

Operational objective 3.2.3: Improving cooperation and coordination among stakeholders in tourism

- Coordinating and connecting actors from tourism and other similar services
- Branding the island and elaborating the development strategy for the entire island

STRATEGIC OBJECTIVE 3.3:

Reducing the dominance of the tourism sector by developing new ecologically and socially acceptable economic activities

Entrepreneurship, as one of the core competences required for the development of the society, is not at the moment entirely elaborated and implemented into our educational system. Upon finishing education, the young do not have the required knowledge and skills, let alone entrepreneurial tendencies, so they usually expect to find an employer sooner or later. Without entrepreneurial competences and initiatives, it is rather difficult to expect rapid changes in the structures of island economy, which is mainly based on classic tourist activities. Therefore, it is crucial to develop entrepreneurial abilities within the local community and encourage innovative use of numerous island resources convenient for self-employment or launching small individual or collective initiatives within the scope of agriculture, forestry, using renewable energy sources, alternative tourist activities, etc.

Operational objective 3.3.1: Generating new permanent jobs by developing new entrepreneurial activities based on local resources and new technologies

- Improving entrepreneurial skills
- Promoting entrepreneurship among the young
- Establishing entrepreneurial incubator

Operational objective 3.3.2: Incorporating new business models that strengthen social cohesion

- Encouraging social entrepreneurship
- Encouraging the cooperativeness

STRATEGIC OBJECTIVE 3.4:

Facilitating realisation of development initiatives by solving property law problems

Unclear property law relations represent one of the biggest obstacles in future development of the island. Whether this refers to real estates in public (the state or local self-government units) or private ownership, potential users deal with long and often complicated procedures regarding purchase or rent of these properties.

Short-term solving of this problem should be based on effective application of existing regulations, and long-term plans should include new legal solutions.

Another frequent issue that additionally slows down the solving of various property law cases is the imbalance of data between cadastre and land registry and therefore addressing these problems should be one of the priorities. The problem of small parcels requires land consolidation, at least in areas of the biggest interest. A similar problem is connected to the potential use of building plots, and can be solved by urban consolidation. The elaboration of new legal solutions is crucial for rehabilitation of the abandoned buildings and land owned by numerous owners, many of which are already deceased or have moved long ago and have unknown addresses.

Operational objective 3.4.1: Effective application of existing regulations regarding legal ownership

- Coordinating cadastre and land registry
- Implementing the land consolidation (reallocation) pilot project
- Implementing urban consolidation

Operational objective 3.4.2: Developing new legal models of abandoned property use

- Developing a model for using private uncultivated agricultural land
- Developing a model for re-using abandoned real estates



CONTEXT

The concept of *governance*, as defined by the Council of Europe, reflecting contemporary sociological debates, is a set of mechanisms that create social activities including the administration, private and civil sectors, i.e. the emergence and overlapping of complex relations that include “new actors” outside the political arena. In a wider context, *governance* is a way in which development process is implemented in the management of economic and social resources. *Governance* does not substitute *government*, which relates to organization of government authorities through formal and hierarchical agencies of the public sector and bureaucratic procedures.

STRATEGIC GUIDELINE 4

Territorial governance represents a challenge for institutional efficiency and a search of

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new partnerships that enable local actions. It requires following the evolution of traditional government structures and the practices based on the “*top-down*” principle, and encourages the debate on possible change in relations between the state and the territory. The territories must be organized in accordance with this and facilitate participation of all stakeholders with the purpose of generating new types of projects corresponding to local requirements and created by local actors.

Territorial governance also implies defining of the basic conditions that will enable implementation of future processes based

on the “bottom-up” principle: intersectorial cooperation, promotion of required competences that enable operational governance, cooperation among actors at all levels, participation of the inhabitants, and acknowledging and giving legitimacy to local actors, who could express social demands and become a part of decision-making processes related to priority projects.

This concept of governance is in line with the principles and values provided by *The Council of Europe’s Framework Convention on the Value of Cultural Heritage for Society* (the Faro Convention) which includes issues related to management of differences, “living together”, quality of the living environments and democratic participation.

The management of the island within the institutional framework has proved to be inadequate for the definition and realisation of the compatible or common objectives of different stakeholders and competent authorities at local, regional and national level. A particular obstacle lies in the planning based on administrative borders, which inevitably plays down the integrity of the island as a single geographic unit.

The competent administrative authorities should be encouraged to extend their collaboration outside the formal sphere envisaged by the law. A system of consultations and cooperation among the stakeholders would improve the territorial governance, starting with the planning processes and extending to the implementation of different activities.

This strategic guideline contains three strategic objectives:

- 4.1 Strengthening human and information resources necessary for quality governance of island development
- 4.2 Improving cooperation and coordination among stakeholders involved in island development and different development initiatives
- 4.3 Strengthening the capacity of the stakeholders to launch new development initiatives by developing cooperation with other areas

CONSISTENCY

This strategic guideline is in line with the Primorsko-Goranska County Development Strategy 2016 - 2020, more specifically with its priority 2.3. *Strengthening of the capacity and efficient cooperation with the civil society*, and with its horizontal measure 1. *Increasing efficiency of the public institutions and strengthening the capacity for managing development*. It is also in accordance with one of the basic horizontal principles of the same strategy: *good governance and participatory development*.

STRATEGIC OBJECTIVE 4.1:

Strengthening human and information resources necessary for quality governance of island development

The existence of qualified and competent personnel among all local stakeholders is necessary for the coherent governance of the island development. The shortage of qualified staff, capable of working with locally elected representatives for the purposes of mobilisation of resources in common projects, results in initiatives that tend to be dispersed, incompatible or contradictory. Key stakeholders of the development have to increase the competences of its staff, by employing new qualified professionals or by developing additional education and training systems. A special attention should be given to competences connected to project work (creating, planning and implementing projects) and the coordination of initiatives and activities. All the stakeholders should also develop the culture of territorial management. A new operational body should be established to increase the coordination between development initiatives and to effectively implement development strategy.

Over the last three decades, numerous development initiatives of the island have elaborated a set of documents. Although these documents comprise numerous

interesting information regarding the island, including statistic, expert and scientific data, as well as ideas for new development initiatives, the information (documents) are not publically available, and therefore the public is unaware of the island’s numerous characteristics and development potentials. The existing documents and data should be systematised and made publically available so they can be used for creation and planning of new development initiatives. For the same purpose, it is necessary to encourage new scientific research and current data collection (where necessary).



Operational objective 4.1.1:
Strengthening the capacity of the key stakeholders in development management

- Adapting education structure of the staff in response to new development requirements
- Training the key stakeholders for new ways of management
- Establishing a new operational body responsible for coordination of development initiatives and provision of services for the whole island

Operational objective 4.1.2:
Using science, existing data and studies for island development

- Collecting and managing data and information, supporting research programmes
- Enabling public use of existing data and research results
- Awareness-raising and educating the public about the island characteristics and sustainable development
- Coordinating spatial plans with the vision of territorial development



STRATEGIC OBJECTIVE 4.2:

Improving cooperation and coordination among stakeholders involved in island development and different development initiatives

Numerous stakeholders act individually for the development of the island: the State through the Ministries and Institutes, local and regional self-government units, the private sector and NGOs. All of them develop initiatives and invest in the island. Some of their actions overlap, resulting in lack of synergy, due to absence of an integrated and transversal strategy capable of underlining their impact. A lack of cooperation and coordination among the stakeholders is a consequence of absence of the common vision and strategic development objectives, the “culture of cooperation” and practical mechanisms that would include all the interested parties in the planning and managing development processes.

Today, when all the stakeholders have reached an agreement on the joint development strategy, it is necessary to mobilise them in coordinated development initiatives and the activities connected to implementation of the strategy. The public should be informed about strategic objectives and the necessity of the active participation of the entire community for the purposes of

achieving those objectives. The intensity of the involvement of a wider community in the territorial development process will depend on incorporation of innovative participative models in everyday practice, motivation of the stakeholders and development of a habit of involvement in governance.

Operational objective 4.2.1:
Promoting participatory governance and mobilising the public in joint implementation of the Charter

- Awareness-raising and educating the young
- Developing methods of involving stakeholders, partners and inhabitants and creating culture of local development
- Involving local actors in island development
- Strengthening community cohesion, encouraging incorporation of all settlements and coordinating territorial activities
- Strengthening relations among main partners (signatories of the Charter)

STRATEGIC OBJECTIVE 4.3:

Strengthening the capacity of the stakeholders to launch new development initiatives by developing cooperation with other areas

The island of Cres has been facing constant negative demographic trends over the last several decades, primarily the decline and the ageing of the population. Majority of the population lives in the town of Cres (the only urban settlement), while the number of inhabitants in other settlements is in constant decline. If we consider the education structure of the population, it is obvious that the island community is incapable of launching large number of new development initiatives, especially those connected to preservation and valorisation of the rich natural and cultural heritage of the island.

In order to strengthen their capacity, local stakeholders will have to cooperate with regular or *ad hoc* partners at regional, national or international level. That will enable the use of all comparative advantages of the involved partners and achievement of synergy. It is necessary to encourage cooperation and partnerships among stakeholders from the public, private and civil sectors, that are active in a wide span of activities like tourism, agriculture, environment and nature protection, culture, etc.

Operational objective 4.3.1: Improving cooperation among stakeholders in the Town of Cres and the Town of Mali Lošinj

- Supporting entrepreneurial activities by using territory complementarity and economy
- Supporting common initiatives by the civil sector

Operational objective 4.3.2: Developing cooperation and partnership with neighbouring areas and county institutions

- Developing cooperation with the island of Krk, urban centres on the mainland and the Istrian Region
- Increasing cooperation with county institutions

Operational objective 4.3.3: Strengthening international cooperation in the Charter implementation

- Intensifying participation in EU projects
- Consolidating partnership with “twin towns”

Operational objective 4.3.4: Exchanging experiences with similar areas / initiatives

- Participating in regional / national / international networks (initiatives)
- Participating in expert and scientific conferences





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