

Local
Development
Pilot Project



Island of Cres

Territorial Diagnosis



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Development
Pilot Project

Island of Cres

Territorial Diagnosis

Cres, May 2014



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Town of Cres

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Executive Summary

The Territorial Diagnosis finalises the first phase of the LDPP in the island of Cres. It has been collectively prepared by all stakeholders involved in the different working groups.

The general understanding concerning the present situation and future perspectives highlights the fact that all active stakeholders, whatever their investment resources or levels of responsibilities, should join forces for the purpose of the implementation of a common, global multipurpose, cultural, social and economic long-term project. The development project for the island of Cres, based on the wise exploitation of the various and rich territorial heritage resources, would directly contribute to the creation of new activities capable of retaining and attracting youngest generation in the island. Reversal of the negative tendencies affecting the quality of life in the island through the implementation of the long-term development project will require cooperation, partnership and efficient governance facilitating the multiplication of local coordinated initiatives.

Arriving at a consensus on these main issues at stake, when it is endorsed by all the relevant authorities, will make it possible to continue the LDPP process. The next step will carry out the debate about the most suitable strategy to put in place and to define specific objectives that will build the Territory Charter.



INTRODUCTION

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

Background

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

The application of LDPP principles helps to implement 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, to align countries' strategies with the principles and methods of the 2014-2020 EU cohesion policy, and to satisfy the prerequisites for international funding programmes.

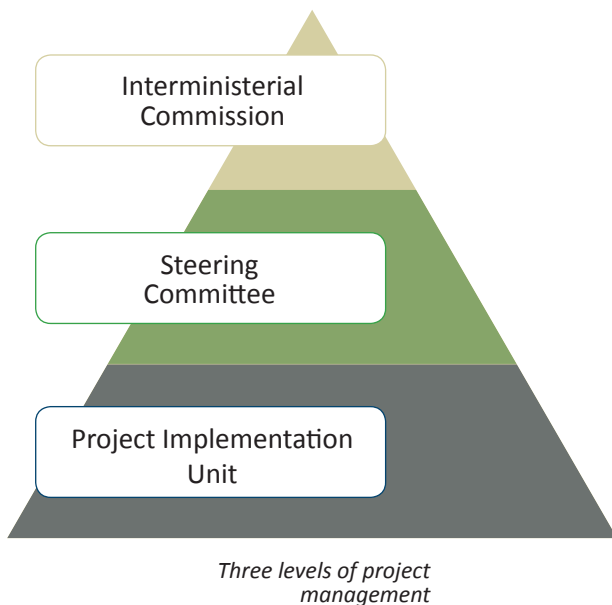
The main objective of the LDPP is to test new integrated and sustainable development models based on the social and economic values of the heritage in defined territories. The development objectives of those models are focused on people, their well-being and a better quality of life. Great attention is therefore paid to strengthening democracy and promoting more efficient and transparent governance.

The conceptual framework developed by the LDPP creates synergies between local stakeholders, public administrations, private enterprises, and national or international partners, which are encouraged to come together in a debate about a global development project. The participatory approach thus applied to local development then capitalises on human resources and the dynamism of communities. The active role of citizens in the transformation processes that affect their living environment stimulates society, 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".

LDPP in Croatia

The LDPP in Croatia was launched in 2008 when four ministries (Ministry of Culture; Ministry of Environmental Protection, Physical Planning and Construction; Ministry of the Sea, Transport and Infrastructure; Ministry of Agriculture, Fisheries and Rural Development) signed the Political Statement. The ministries agreed to choose the island of Cres as the pilot territory.

The features of the island of Cres best meet the needs of the project because it has rich natural and cultural heritage, it is poorly developed – especially in terms of tourism, its traditional economy is quite well preserved and the population density is very low. Its advantage compared with other territories is also related to there being numerous documents regarding the territory (such as spatial planning documentation, conservation documents and data on plants and animals). The protection, enhancement and revitalisation of what makes Cres unique represent a big challenge for the competent institutions and the local community.



As well as by the Ministry of Culture, which is the national project coordinator, the LDPP is supported by the Ministry of Agriculture, Ministry of Environment and Nature Protection, Ministry of the Economy, Ministry of Construction and Physical Planning and Ministry of Foreign and European Affairs, the County of Primorje-Gorski Kotar, the Town of Mali Lošinj and the Town of Cres.

At the national level the project is managed by an Interministerial Commission composed of technical staff appointed by the partner ministries and the Chairman of the Steering Committee.

At the regional level the project is managed by the Steering Committee composed of 15

members representing regional and local stakeholders from the public, business and civil sectors.

The implementation of the project at the local level is carried out by the Project Implementation Unit which operates within the Island Development Agency. The costs of the implementation are financed by the CoE, the Ministry of Culture, the County of Primorje-Gorski Kotar and the Town of Cres.

The LDPP represents an opportunity for local and regional authorities and the whole of the island's community to elaborate a development strategy that will allow the protection, valorisation and revitalisation of the island and its resources. Some characteristics of the island which make it vulnerable, and today are interpreted by inhabitants as weaknesses (isolation, underdevelopment, small population, and a low rate of modern types of economy) could, through the LDPP, turn into opportunities for alternative development.

ISLAND OF CRES IN NUMBERS

Geography

Area: 405.7 km²

Length: 66 km

Width: 12 km

Highest elevation: 648 m (Gorice)

Coastline length: 247.7 km

Population

Number of statistical settlements: 30

Number of inhabited settlements: 28

Number of inhabitants (2011 Census): 3,055

Population density: 7.53/km²



The final tangible result expected after the completion of the LDPP is the Territory Charter – which is a document that sets out the main strands of work agreed by the partners and guides the measures to be taken in the territory by the various public and private players over the middle and long-term. The Charter will have to be adopted and signed by various LDPP partners at the 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:

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

The Diagnosis, completed in 2013, offers a descriptive interpretation of the situation on the island of Cres and identifies strengths and problems. The main goal of the Diagnosis process was to allow all stakeholders to understand and update all data about **assets and possibilities in the territory, and about factors that hamper the progress and development of the local community**. It is an interpretation of the existing data, situations and trends made by local, regional and national stakeholders in such a way as to create a consensus amongst all subjects involved or concerned in the territorial development.

Four main topics were identified and developed by devoted working groups: the cultural and natural heritage, the economy, the social environment and local governance. This was carried out by means of comprehensive collective analysis and consultations through a series of workshops that tried to arrive at a joint view of the local state of affairs, to identify the advantages and weaknesses of the territory, the opportunities and the threats. More than 100 different stakeholders from national, regional

Diagnosis Phase



and local levels, representing the public, business and NGO sectors, were invited to take part in the workshops. The PIU organized 18 workshops in which 86 persons representing 37 different stakeholders participated. Working groups developed a sectorial approach for each of the topics, but the Diagnosis concludes with the intersectorial issues at stake that are the basis for pursuing the process and elaborating the strategy of development.

This document presents the results of the Diagnostic process. 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 what they did. Each of the main topics that were analysed is presented in a separate chapter containing the description of the main facts, the analysis of the actual situation and the conclusions. At the very end of the document the issues at stake in the development of the island are listed and explained.



THE NATURAL HERITAGE

Description

The island has a rich flora and fauna and a high biodiversity rate

The entire territory of the island is part of the Natura 2000 ecological network. The interaction between geological substrate, pedological cover, island morphology and the two climatological zones (*Sub-Mediterranean and Eu-Mediterranean*) of the island of Cres created the specific conditions for the development of one of the highest biodiversity rates among all the islands in the Mediterranean region.

Flora: More than 1,300 plant species grow on the island, among which many are endemic and relict species. The most important plant communities are deciduous forests in the Tramuntana (northern part of the island) and stands of evergreen holm oak in the southern part of the island (around Punta Križa). The current spatial plans propose the protection of these two forests (at the level of protection of special reserves, or significant landscape). Forest covers around one third of the island.

Fauna: The griffon vulture has become the emblematic species of Cres and is well-known at national and wider levels. The griffon vulture is on the list of endangered species and its colonies on the island are the most

Exceptional biodiversity

1,350 plant species

43 orchid species

6 oak species

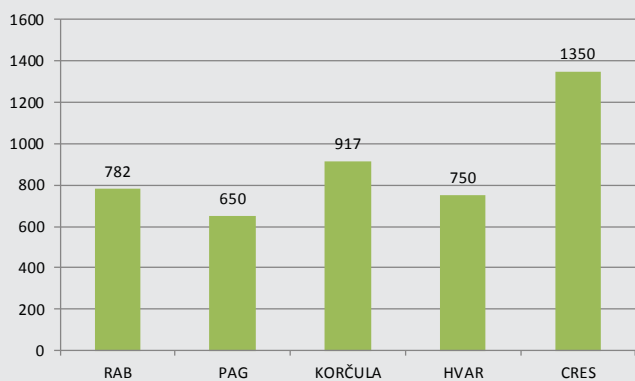
24 reptile species

7 amphibian species

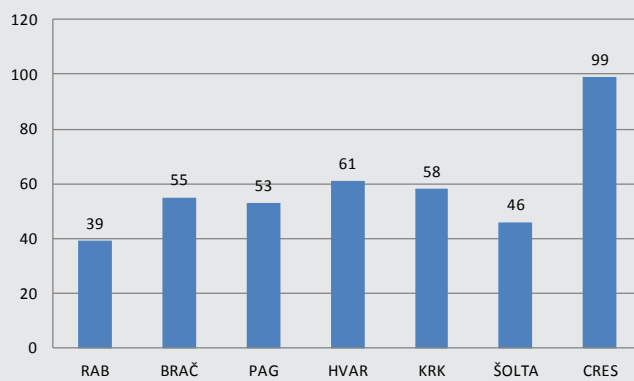
35 mammal species

87 butterfly species

200 bird species (99 nesting)



Source: G. Sušić i V. Radek; Bioraznolikost kroz lokve otoka Cresa, 2007
Diversity of plant species on the Adriatic islands



Source: G. Sušić i V. Radek; Bioraznolikost kroz lokve otoka Cresa, 2007
Diversity of nesting bird species on the Adriatic islands

numerous along the Croatian coastline. To protect them, two ornithological reserves have been established which are managed by the county's Public Institution Priroda. The island abounds with other bird species too, as well as with mammal, reptile, amphibian and insect species.

Underwater area: it is also very rich and well preserved and the most important and known species is the bottlenose dolphin which has for the marine area of the southern part of the island (east and west coast of the island), the same significance as the griffon vulture has for its northern part. The dolphins are being researched into and taken care of in their natural environment by Plavi svijet from Veli Lošinj – an Institute for research and protection of the sea.

The island offers a variety of landscapes

A particular value of the island is represented by its singular landscapes, which are a direct result of the interaction between nature and human activities.

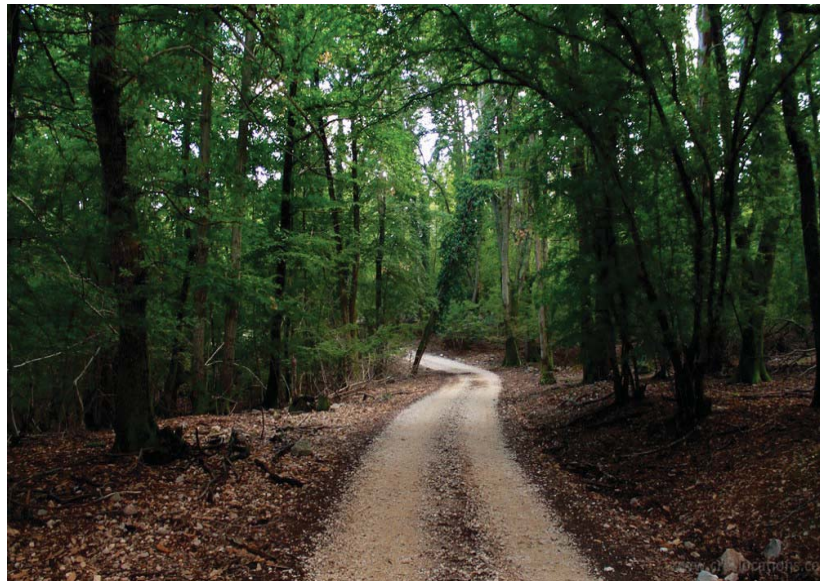
Different plant communities contribute to the richness of the landscapes; particularly interesting are the pastures in the central part of the island. Pastures, which are often quite rocky, cover a big part of the island's area and are very important for the sheep farming and, in some particular areas, for beekeeping and the gathering of medicinal and aromatic herbs. The maintenance of traditional agricultural activities has been highly instrumental in the preservation of many different landscapes.

The care for nature is not sufficient

The stability of different ecosystems and the influence of different factors (climate changes, abandonment of sheep breeding, invasive species, and so on) **on their possible changes have not been sufficiently investigated.** The available data on the island's flora and fauna give a good overview

of the biodiversity, but a lot of the data are quite old since recent research and scientific publications are very rare. There is also lack of data for the marine ecosystem because the marine area has been only partially investigated.

The **level of nature protection is good on paper** and relatively big areas of the island are included in some form of protection (reserve, ecological network, spatial planning). There are several new areas proposed for protection in the new regional spatial plan, but with the financial and human resources currently available at local and regional level it will take a long time before the proposed location will get the status of protected areas.



The only significant results in the field activities have been achieved by the NGO sector. Unlike the institutional protection on paper, active and practical institutional protection in the field is still in its beginnings and is almost imperceptible.

Analysis

A well preserved natural heritage contributes to the good image but does not add value to the local economy

Thanks to the restrained development of the island, **its biodiversity**, including flora, fauna and ecosystem types, is **well preserved**. For the time being no major damage or changes have been observed by professionals or local inhabitants.

The perception of the environmental quality is very positive and the island is seen from the outside and by the local inhabitants as a beautiful area with unspoiled nature. **The intensive and constant activities conducted over the last 20 years by the associations active on the island**, as well as the professional and promotional activities of local and regional institutions **have resulted in raising the awareness of local and wider community** about the richness and importance of the natural heritage of the island of Cres.

The positive image of the island and the potential of the natural heritage are **still not sufficiently economically valorised and used for development purposes**.

Neither the public institutions for nature protection nor the local community, including the public and business sectors, have the capacity to launch any new important initiative. The tourism sector has recently started to take advantage of the economic potentials of the natural heritage, but

Protected Areas

The total area of the island of Cres is included in the Natura 2000 Network and 7 locations are separately defined as Special Area of Conservation for species and habitat types.

Three sites are protected under national legislation (1 nature monument and 2 special nature reserve – ornithological).

Around 20 other potential locations have been identified for some form of protection.

it is done too slowly and without any coordination. For the time being the rich natural heritage is mainly used by the local Tourist Boards as one of the higher values of the territory to be promoted to attract new visitors.

A good example of natural heritage valorisation is the treatment of the griffon vultures and the dolphins, two big animals that are easy to notice and monitor in nature and therefore interesting to the wider public. Thanks to initiatives that came from outside the island, two associations (“Eko-Centar Caput insulae Beli” and “Plavi svijet” from Veli Lošinj) have been taking care of their protection for more than 20 years and at the same time carry out educational and exhibition activities involving numerous local, national and international volunteers. Two years ago the Eko-centar closed down and now the Public Institution Priroda coordinates an initiative to take over the activities of the center.

The potential of the forests is also insufficiently used. The activities of the national forest company “Hrvatske šume” are primarily focused on maintaining and improving the beneficial functions of forests so the economic impact of these activities is hardly measurable. In fact, valuable wood products, such as sawlogs, hardly exist and the cut trees are mostly used as firewood and pulpwood with minimal economic effects. Given the very significant and increasing proportion of forests in the total area of the island, new ways to valorise their total direct and indirect economic potential should be investigated.

One of the biggest threats for biodiversity comes from invasive mammal species

The biggest threat for the island flora and total biodiversity preservation is the **presence of two invasive mammal species** introduced onto the island in the mid-1980s: the wild boar and the fallow deer. Today their population density has reached the level where the competition with

sheep for food and water has become more obvious and gradually will probably cause disorders in the sensitive island eco-system. They are a threat not only to biodiversity but also to the traditional agriculture which is one of the main factors of stability in the existing island’s ecosystems. The attempts made so far for solving the problem have produced unsatisfactory results and no comprehensive plan for the control and eradication of these invasive species exists.

Even if biodiversity is not immediately threatened by some human activity, the **abandonment of the traditional agriculture could jeopardise it**. Changes regard first of all the pastures which are habitats of extremely high biodiversity, landscape importance and



value. The gradual decrease in the number of sheep and changes in grazing management expose the pastures to vegetation succession, since they tend to become overgrown and slowly turn into macchia. The island's flora is therefore particularly endangered and so are some minor animal species that are not systematically monitored. Fewer sheep represent also less food for the griffon vultures, which have to be additionally fed. At risk are also some smaller areas and biotopes like small aquatic and marsh habitats (some puddles and small ponds, small marine marshes).



The present level of research and monitoring on biodiversity is not sufficient to ensure relevant policy

The influence of invasive species on biodiversity is not being investigated and the local community is for the time being concerned only with the damage produced in agricultural sector. **The Public Institution Priroda** is in charge of management of protected areas and monitoring of the natural heritage but **has insufficient human resources** to provide field control of the protected areas on the island and monitor the entire ecosystem.

There is also a **lack of professional co-ordination among local government units and other stakeholders** involved in nature protection. Even the protection of nature is not the direct responsibility of the local authorities; their insufficient involvement and inadequate way of collaboration with NGOs active in that sector has led to some bad experiences.

Unlike the other species, the two most important species for the territory of the island of Cres, the **griffon vultures and the dolphins, are systematically monitored and researched into thanks to NGO activities**. The griffon vultures are protected by law and on the island two ornithological reserves have been established; they are supposed to be monitored and managed by the Public Institution Priroda but for the time being it has no capacity to do it. The Public Institution Priroda therefore engages the Ornithological Institute of the Croatian Academy of Sciences and Arts which investigates and monitors the vultures. Since administrative protection alone is insufficient for a good protection of the vultures, until two years ago an NGO took care over the animals - the Research-Educational Centre for Nature Preservation Eko-Centar Caput insulae Beli. The current situation demands an urgent replacement of the closed center. The dolphins are successfully monitored and researched by another NGO – The Plavi svijet Institute of Marine Research and Conservation located in Veli Lošinj. Its attempt to establish a marine protected area was not successful, in part also due to lack of support from public institutions; however, the institute continues to

implement numerous research, educational and preservation activities.

It is evident in these two cases that **NGOs have an important role in compensating for the competent institutions inability** to monitor and research into biodiversity.

Conclusion

Biodiversity and ecological stability are under threat

The uncontrolled propagation of invasive species represents a direct threat to the biodiversity and the different types of typical island landscapes. Those species also do great damage to the island's traditional agriculture, which has an important role in maintaining the stability of the island's ecosystems and the preservation of the landscapes.

Public and civil sector cooperation is insufficient for launching new initiatives

The capacity of the public institutions is insufficient to monitor and protect the nature on the island, not even for the parts that are protected. The good experience that the NGO sector has had up until now represents a potential for its further enhancement and the extension of its activities.

To improve the monitoring of the island's ecosystem and the protection of natural values and biodiversity the two sectors will have to increase their cooperation and better coordinate their complementary activities.

The natural heritage is an opportunity for new economic activities

The island of Cres has an exceptional biodiversity rate and unspoiled nature which are not sufficiently valorised or used for development purposes. The relatively big areas that are included in some form of protection, the good knowledge about biodiversity, the existence of sufficient quantities of scientific data and the existing activity of the NGO sector represent a highly valuable potential which can be used for sustainable economic development and the creation of new jobs and innovative activities.

In order to speed up the use of the natural heritage for economic purposes, the communication and the coordination of different activities among the stakeholders should be improved.

The traditional exploitation of forests produces a minimal direct contribution to the island's economy and the potential impact that forests could have on the development of other sectors such as tourism, agriculture, and in these days energy as well, is insufficiently used.



THE CULTURAL HERITAGE

Description

The built heritage gives the island its uniqueness

The settlements of Cres, Osor, Lubenice and Beli, as well as the numerous religious buildings and shepherds' dwellings have particular significance.

Osor was the dominant settlement of the island from the Bronze Age until the 15th century, and consequently today is the most important archaeological zone on the island. In the period of Hellenism its city walls were secured with large boulders in dry stone walls, so-called megalithic walls, the remains of which represent perhaps the best preserved example of the walls from that period in Croatia. Osor has also several exceptional buildings from Early Christianity to the Renaissance period: an Early Christian cathedral (6th century), the Benedictine monastery of St. Peter (11th century), the three-nave Cathedral of the Assumption, the town hall and loggia and the bishop's palace.

The historical core of Cres is fully characterized by the Renaissance, when the local stone and masonry workshop was formed and trained on construction sites in Venice and Osor. During the Venetian government it became the island's main centre and its heritage is strongly influenced by Venice. The legacy of that era is represented by the remains of the

Immovable cultural heritage

- Prehistoric sites (ruins and tumuli from the Iron and Bronze Age) – 40 sites
- Antique urban settlements: Beli, Lubenice, Cres, Osor with the continuity of life to date
- Antique and late antique sites outside the settlements (ville rusticae) – 8 sites
- Prehistoric cave sites – 4 sites
- Shepherds' dwellings, villages and hamlets (rural architecture) – more than 60 building complexes
- Religious buildings and complexes – 114 buildings (monasteries, churches and chapels from the period of late antique till baroque)



Preservation state of built heritage

- Ruined* ◆
- Collapsing* ◆
- Damaged* ◆
- Integral* ◆

fortification system, a series of patrician palaces, public buildings and a collegiate church the portal of which is one of the most significant examples of Renaissance sculpture in the area of the northern Adriatic. The town of Cres managed to maintain part of the old patina – the ambient and atmosphere that is created through the interaction of the intangible and material heritage is quite different from that in the neighbouring rural areas. Elements of a multicultural environment together with the traces of old Venetian atmosphere can still be found in the town, thanks also to the small indigenous Italian national minority that maintains the local Istrian-Venetian dialect.

Lubenice and Beli are two hill-fort towns that gradually developed a specific urban-rural character. Lubenice stands out for its well-preserved historical appearance with the unchanged pattern and spatial composition of the settlement. In the substructures, details and proportions of the houses a medieval layer is visible. The fusion of the settlement into the surrounding humanized landscape is certainly one of its more important aspects.

Beli is the only urban settlement in the northern part of the island. In the period of Late Antiquity it became one of the most important fortified spots in the northern Adriatic. It has preserved its urban morphology, but due to continuous alterations its built heritage has partly lost the historical and aesthetic qualities and today it has only an ambient value.

| | Ruined | Collapsing | Damaged | Integral |
|--------------------------|--------|------------|---------|----------|
| Economic | 8 | 0 | 15 | 11 |
| Residential | 78 | 31 | 103 | 337 |
| Residential/ Economic | 16 | 11 | 12 | 24 |
| Residential/ Public | 0 | 0 | 0 | 1 |
| Public | 0 | 0 | 2 | 11 |
| Religious | 36 | 5 | 10 | 60 |
| Religious/Public | 0 | 0 | 0 | 1 |
| Religious/ Defence | 1 | 0 | 0 | 0 |
| Defence | 2 | 0 | 1 | 3 |

Source: LDPP Heritage Survey

Types of built heritage sorted by preservation state

A peculiarity of the island’s rural landscape lies in the many religious buildings situated throughout the uninhabited expanses of the island. Most of them are abandoned Romanesque and Gothic chapels that, although dated to the Middle Ages, also belong to the vernacular architecture that abounds in the island. They are small and very similar in typology, with no exceptional artistic value but valuable as a phenomenon and for their quantity.

Numerous small villages and shepherds’ dwellings are specific to the historical socio-economic structure of the island. Most of these units preserve the original quality of the construction, with historical patterns and spatial

composition intact, but today are completely deserted due to the complete abandonment of the specific type of traditional economy.

A cultural landscape and intangible heritage of unspoilt originality

The island has maintained a particular timeless atmosphere, its fundamental feature being the original, traditional coexistence of man and nature. Except for the forested parts, the island landscape is largely defined by large barren tracts, parcelled with long stretches of dry-stone walls that bear witness to the centuries-old livestock economy and agricultural exploitation and create a specific cultural landscape of exceptional beauty.



The **preservation of the intangible heritage additionally contributes to the creation of the particular Mediterranean atmosphere**, considering that people who practice the traditional way of life and customs can still be found on the island, particularly in some rural areas.

Part of the island's cultural tradition and identity has been preserved also thanks to **several associations that operate in the field of the protection and valorisation of cultural heritage**.

Analysis

The lack of maintenance, deterioration and alteration of the immovable heritage increases the risk of authenticity being lost

Large-scale emigration from the island after the World War II, the tendency for rural areas to be left and negative demographic trends, have resulted first in total abandonment of the shepherds' dwellings, and afterwards also of the small villages. Those places are today difficult to reach, isolated, and given the lack of basic infrastructure, they are unattractive for living and largely forgotten. With few exceptions the buildings are vacant and the loss of function, abandonment and lack of maintenance has led to **their deterioration and collapse, while some are completely ruined**.

In some cases, as in Lubenice, the gradual decrease in the number of inhabitants and the abandonment of the houses has largely contributed to the preservation of the settlement in its original form. However, the built heritage and particularly the residential architecture, although preserved in authentic form, is compromised by the **degradation factor arising from lack of maintenance**.



On the other hand the residential buildings that are still in use are very often subject to **alterations and inadequate interventions**, which can lead to irreversible changes and loss of authenticity. The major alterations happen mostly to the vernacular architecture, since this architecture is often not considered to be of specific value to the territory. Beli has for instance lost a large part of the original charm due to unprofessional interventions and alterations of the built heritage. Nevertheless, the phenomenon is not limited only to vernacular architecture since it can be noticed in the housing stock in the Cres town core which is sometime independently and unprofessionally “renewed” and adapted, bypassing the conservation service.

Unlike the private houses, most of the **public buildings are well preserved, repaired or in the process of rehabilitation** under the supervision of the conservation experts. The same is true for the religious buildings that are still in use. Unfortunately, numerous typical medieval chapels located outside the settlements which are not in use any more remained without adequate care by the owners and have collapsed or are in danger of imminent collapse.

The Cres old town core is losing its original purpose as a residential area since over the last 30 years the local inhabitants have been slowly but constantly leaving it and moving into newly built houses or apartments on the outskirts. The old houses are sold and sometimes unprofessionally transformed into second houses which are in use only a couple of months per year. This trend also contributes to the potential degradation of the old town’s ambience thorough inadequate building interventions but also through the transformation of the way of life and interactions among local inhabitants.

The potential of the cultural heritage is not used for development

Archaeological excavations were carried out at nearly 50 sites, but none of them has found new life in the tourism sector and **there is no fully researched, presented and visited archaeological site** on the island, not to mention an archaeological park. It seems that expert research, debates, exhibitions and publications are the only media in which the heritage of the island of Cres, rich in quality and quantity and dating from prehistory to the Middle Ages, is alive today.

The significant cultural and historical value of Osor was noticed and valorised a long time ago in the professional sphere, but **its cultural potential has remained unused**. Despite the definitions “Museum Town,

Museum in the gardens or the town of music and sculpture” the settlement can be defined only as a dead island metropolis where over time part of the built heritage disappeared, while the city has been gradually turning into a tourist settlement.

Most of the **visitors highly appreciate the particular atmosphere** of the island and some of its settlements, but this specificity is not used in the tourist promotion.

The preserved traces of Venetian culture, both tangible and intangible, distinguish Cres from other towns in the Kvarner Bay. However, this peculiarity is still not used to attract potential visitors. The value of the numerous chapels and shepherds’ dwellings which give to Cres cultural landscape its specificity is also not recognised. A good example of how the heritage can be used for tourism development is Lubenice which has mostly spontaneously become one of the leading brands of the island and today attracts numerous one-day visitors, even there is no comprehensive management plan for this micro tourist destination.

The local community has no capacity to take care of heritage all alone and the public institutions have limited resources

The Ministry of Culture, through its Conservation Department, is responsible for taking care of the cultural heritage but its financial and human **protected or limited**. Therefore the Conservation Department is mainly focused on the protection of the immovable heritage, first of all through the procedure of issuing criteria for building or reconstruction. The immovable heritage on the island has been thoroughly inventoried in the conservation database and recently through the heritage survey, so data on the individual structures are available but no comprehensive analysis or interpretation of the data has ever been done.

Thanks to their cultural value, a **significant number of religious and secular buildings and complexes in and out of the historic cores have been registered and listed**. Because of their specific urban structure, ambient values and valuable individual buildings, the historic urban and rural cores of some settlements have also been registered in the Register of Immovable Cultural Monuments. Lubenice has even been admitted to the World Heritage Tentative List, but nothing has been done since 2005. The limited human capacity of the Conservation Department does not enable it to monitor the territory systematically and enforce the law in all cases of building modification even inside the registered core. Therefore its attention is focused mainly on registered or listed buildings.





The Conservation Department has made also an inventory of movable cultural properties (mainly religious collections) and great part of them have been already restored. Still, the ethnological movable heritage has been scarcely surveyed due to the limited availability of human resources.

The detailed inventory of cultural properties still does not provide a guarantee of their protection and rehabilitation, and the **local community is too small and has no capacity** to cope with the upcoming problems concerning the rich cultural heritage. The lack of local funds and initiatives makes difficult the needed rehabilitation of the numerous abandoned religious buildings and shepherds' dwellings.

Because of insufficient resources, the local government cannot be sufficiently active or take adequate care of the reconstruction, conservation and presentation of built heritage.

The **insufficient public management of built heritage** is evident. Despite the existence of a good conservation database, no management plan for the built heritage has ever been elaborated that would help in its more efficient preservation, valorisation and rehabilitation. Even at the practical level, when the investors, architects and construction workers should consider the building or reconstruction criteria, there is no guidelines manual that would indicate how to comply with the basic conservation principles.

One of the almost insoluble problems so far, which is not only related to the heritage, is **the problem of property law relations and the ownership of real estate**. This problem complicates greatly the implementation of potential measures since no kind of intervention in the built heritage is possible before title to the property in question has been identified.

The units of regional and local self-government as well as the public institutions do not have a systematic approach to the protection and valorisation of the intangible heritage. This heritage is mainly kept up by several local **NGOs, which act with limited financial and human resources** and are mainly supported by the local authorities.

The NGO sector is almost alone in maintaining the local tradition and culture

The Mediterranean atmosphere on the island is also created by the intangible heritage, because in some rural communities persons who practice the traditional way of life and keep up the customs can still be found. The **number of such practitioners of the traditional local culture who can tell of and show the history is rapidly decreasing**, because the indigenous rural population is shrinking. The same is true for the small

Italian minority living in Cres, people who safeguard the Venetian dialect.

Therefore, there is a real **risk of losing the historical knowledge and skills** if they are not recorded or transmitted to the new generations. In that respect the NGO sector is active through folklore groups and several associations which promote local traditions and collect and systematize a significant amount of ethnographic objects and written or video material. Part of that material is occasionally or permanently displayed. However, the capacity of the NGO sector is limited compared to the great richness of the immaterial heritage.

Conclusion

The development deficit has contributed to the preservation of the cultural heritage but today it represents a risk

The decline of the population and the abandonment of the rural area on one hand, and lack of development, particularly in the tourist sector on the other, contributed to the preservation of the cultural heritage and the unique atmosphere of the island. However, the long-term maintenance of such conditions will put the built heritage at risk of rapid deterioration and in the worst-case scenario even permanent devastation. In that case some of the movable heritage can also be lost.

A significant part of the built heritage, especially the shepherds' dwellings and some religious buildings, is already damaged, collapsing, or ruined and its further deterioration does not represent only a loss for the local heritage but also a loss of development opportunities. If they are not put to use again, the future development process will inevitably have to go through new construction, which involves a real risk to the degradation of the ambience and the particular island atmosphere.

The local identity is in danger

In the same way that deterioration and alteration of the tangible heritage increase the risk that the authenticity of the whole territory will be lost, and with it one of its development advantages, the loss of the intangible heritage can lead to the loss of identity of its inhabitants. Due to demographic trends, the proportion of indigenous inhabitants is constantly being reduced and there is a real risk of the permanent loss of the local intangible heritage (dialects, customs, recipes ...) which is additionally increased by the modern way of life and the adoption of global trends. The local



NGOs dealing with the intangible heritage do not have the capacity to face these negative trends and actively work on the maintenance of the local identity on their own.

Cooperation among actors through partnerships and efficient governance are wanting

The local community does not have the capacity to preserve and valorise the cultural heritage on its own. There is an evident need for better cooperation among different actors, which would increase the efficiency of their actions in the field of the preservation and valorisation of the cultural heritage.

The interdisciplinary rehabilitation of the built heritage should become a development priority with the greater involvement of the owners and the local community in adequate cooperation with the conservation service. The limited capacity of the NGO sector active on the island could be enhanced through its integration in the initiatives and activities carried out by the public institutions and local authorities.

The re-use of the heritage represents a development opportunity

The beginning of the decay of a part of built heritage dates to the time it lost its original function and was abandoned. To save it from further deterioration it should be put in working order again. New economic and social trends offer numerous opportunities for the rehabilitation of those buildings – returning to their original function (especially residential buildings) or their conversion to other types of use. In order to speed up the process, the perception of the cultural heritage values by the main stakeholders has to be changed. An innovative approach to the problem of the heritage could find different ways for it to be protected and valorised. The tourism sector represents an opportunity.



THE ECONOMY

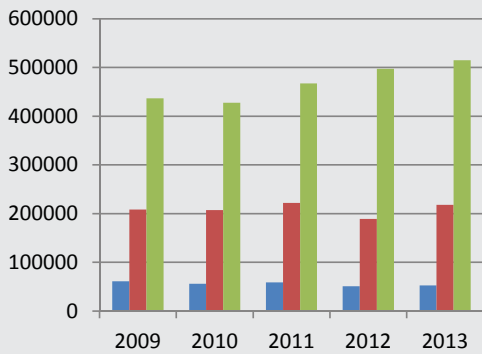
Description

Tourism activities dominate the economy

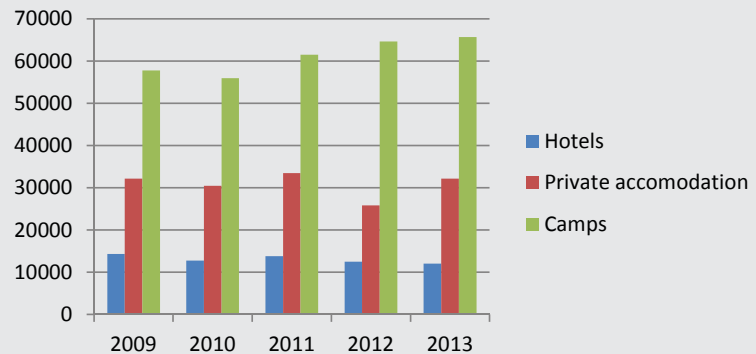
The tourist sector employs around 40 % of the active population, in mainly seasonal and unskilled jobs. Most of the accommodation capacities, and therefore the main tourist services and activities, **are concentrated in the town of Cres.**

The tourism sector is mainly controlled by big companies (Jadranka d.d., Cresanka d.d.) which own almost all the accommodation capacities in hotels (440 beds) and camps (7,500 accommodation units). The additional 4,000 beds available are mainly family owned rooms and apartments. The existing accommodation structure is primarily suitable for individuals and benefits from the proximity of Slovenia, Italy and Central Europe from which Cres can be reached by car in a relatively short time. Organized groups travelling by bus are generally looking for hotel accommodation.

Tourism activity is concentrated during the summer period because of the specificity of the accommodation (mainly camping sites and private rooms) and because there are no supporting facilities (such as congress rooms, swimming pools, gyms, or wellness) which could diversify the leisure activities. The only two hotels on the island are open only during the summer season.



Source: Cres Tourist Board
Number of overnight stays in the area of the Town of Cres



Source: Cres Tourist Board
Number of visitor arrivals in the area of the Town of Cres

Activities are mainly oriented to sea and sun, even if others comparative advantages can be identified as nature and culture heritage.

The Tourist Boards are territorially divided (Cres and Mali Lošinj) and although there are several professional associations, the stakeholders from the area of the Town of Cres collaborate mainly through the Tourist Board which only partly satisfies their needs and does not represent a platform capable of stimulating potential synergies. The activities of the associations have a very modest effect on the overall development of tourism due to the lack of leadership and institutional support. The Town of Mali Lošinj has its own strategy while the Town of Cres mainly relies on the regional tourist master plan, which is only partly implemented.

Agriculture is a significant non-professional activity still done in the traditional way

Sheep farming

According to the Croatian Agricultural Agency 124 farms on the island of Cres raise 12,209 sheep. It is estimated that the total number of sheep is around 15,000. The average gross income of the sheep sector is about 5 million HRK.

For most of the families **agriculture is still an important activity that generates significant additional revenue** (15-20 million HRK), even if it is only a spare-time activity, a second job or an occupation for retired persons. Economic necessity, as well as the desire for the preservation of family land properties and rural values have contributed the perpetuation of the Islanders' traditional way of living.

Sheep farming is carried out in extensive way exclusively to produce meat, which is partly intended for local consumption while the rest is sold on the mainland. There is no production of dairy products and the wool is discarded. Sheep farming is present in all parts of the island, although a lot of farmers do not live in the villages any more but in Cres and Mali Lošinj. The number of sheep on the island is in constant decline, partly due to the aging of the shepherds and the abandonment of production, but largely due to the presence of wild pigs that cause large damage (by killing young lambs and by demolition of the dry stonewalls). The abandonment of pastures and natural expansion of forests are gradually modifying the landscape, natural habitats and increasing the conflicts of interest between forestry and sheep breeding.

Olive cultivation is also done in an extensive and traditional way around the town of Cres: the olive groves are very old, planted on karst terrains and stone terraces which are not suitable for machine cultivation, irrigation and implementation of more comprehensive measures for pest control. The younger generations have no wish, resources or energy for planting new olive orchards in the stony terrain.

The farmers are united in several associations and one cooperative (olive growers, sheep breeders, beekeepers) despite the relative weakness of the agriculture in the island. These associations are mainly active in educational activities and communication with the administration. No joint marketing approach to develop commercial opportunities exists, and therefore most of the agricultural production and distribution is based on individual initiative. Since the production quantity is small, products are mainly sold at the farm gate or at the local market (Cres and Lošinj). The cooperative is the only company on the territory that employs workers in the agricultural sector and that buys up some of the olive oil produced by farmers and sells it under the name “Cres Extra Virgin Olive Oil” which was recently registered by the local association as Protected Designation of Origin. The cooperative owns the only slaughterhouse on the island, used exclusively for slaughtering sheep and lambs.

The farmers are not satisfied with the regional and national support, which is mainly financial, while they would also need institutional help. The current situation in the agricultural sector does not offer the conditions needed for starting up a professional agricultural activity. There is **insufficient use of the agricultural subsidies** provided by the state, especially those intended for investment, since the farmers are not professional and rarely plan to expand their activity.

Old traditional industries are in decline

The shipyard has reduced its labour force over the last ten years, but still ensures employment through subcontractors.

There are no production facilities on the island any more. The oily fish processing factory closed down during the 1990s together with the textile factory, which had hired numerous unskilled workers, especially women. The remaining active companies on the island engage in construction or service industry at the local level (trade, transport, municipal services).

Despite one third of the island being covered by **forests, their economic exploitation is very low.** The national forests on the island are managed by Croatian Forests Ltd. in accordance with the management programs, while **private**

Olive-growing

Nearly 500 families (about 200 are registered as family farm) grow more than 130,000 olive trees.

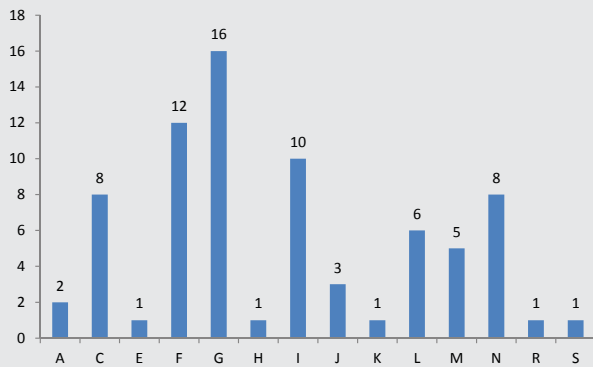
The average gross income of the olive sector is about 5 million HRK.

Mariculture

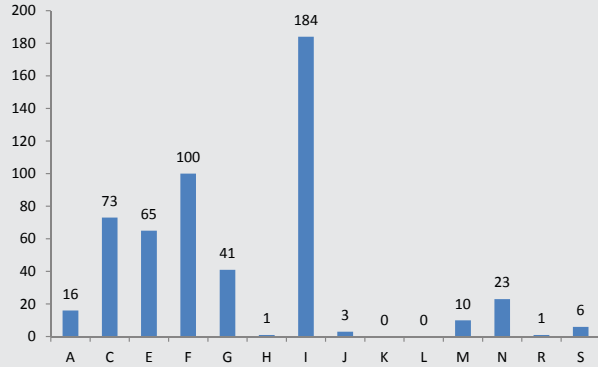
There are 3 companies on the island engaged in the production of fish and shellfish.

The County Spatial Plan envisages 4 sites for fish-farms (2 are still available) with a total capacity of 1,360 t of fish and 130 t of shellfish.





Source: Croatian Chamber of Economy, 2013
Number of companies with H.Q. in the administrative area of the Town of Cres



Source: Croatian Chamber of Economy, 2013
Number of persons employed in companies with H.Q. in the administrative area of the Town of Cres

SECTORS

| | | | |
|---|--|---|--|
| A | AGRICULTURE, FORESTRY AND FISHING | J | INFORMATION AND COMMUNICATION |
| C | MANUFACTURING INDUSTRY | K | FINANCIAL AND INSURANCE ACTIVITIES |
| E | WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND ENVIRONMENT REHABILITATION ACTIVITIES | L | REAL ESTATE BUSINESSES |
| F | CONSTRUCTION | M | PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES |
| G | WHOLESALE AND RETAIL; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES | N | ADMINISTRATIVE AND SUPPORTING SERVICE ACTIVITIES |
| H | TRANSPORTATION AND STORAGE | R | ARTS, ENTERTAINMENT AND RECREATION |
| I | ACCOMMODATION AND FOOD SERVICE ACTIVITIES | S | OTHER SERVICE ACTIVITIES |

forests are not managed systematically. Due to lack of inspection services, private forests are generally not under the control of authorized bodies and therefore continue to be exploited as in the past, sometimes outside the framework envisaged by the management plan. All ancient and traditional crafts have disappeared and today most of the small artisanal enterprises carry out their activities in the tourist sector, services and trade.

New activities appears in the economic landscape

The only major investment in tourism sector over the past 20 years was the construction of the marina, which contributes to increasing the number of tourists with higher spending power. Thanks to the existence of the marina, nautical tourism on the island has considerably increased. International regattas have been organized for more than ten consecutive years.

Some new economic activities appeared these last years. The most significant is **mariculture which is in constant growth** in opposition to agriculture and fishery, which are stagnating or suffering a slow decline. Three fish farms active on the island have created several new jobs, and there are 2 new sites in the spatial plans envisaged for this activity.

A new **industrial zone** in the town of Cres has been equipped with the needed infrastructure and offers the possibility for the development of new economic activities.

Traditional agriculture protects the fragile natural and cultural environment

The survival of the **traditional agriculture contributes to the preservation of the typical island landscape**. However, landowner interests in the development of additional income explain the increased number of olive growers who invested in the construction of new field roads in order to facilitate the access to the olive groves. The direct consequence of these works led to the destruction of several old stone walls in the vicinity of Cres.

Unlike the olive growers the **number of sheep farmers and sheep is slowly decreasing** due to the damages caused by the wild boar and the low attractiveness of the job of shepherd. The economic damage suffered by shepherds during the recent years has caused a premature abandonment of the breeding by the elderly shepherds and discouraged the start-up of sheep breeding by potential young shepherds. The pastures are consequently abandoned and gradually become overgrown with shrub and maquis and the global physiognomy of the island is perturbed, while risks of fire are increasing.

The lack of cooperation and administrative or mentality rigidities limit innovation

Because **the two island's municipalities do not have a common tourism strategy** and the respective Tourist Boards and other sectorial organisations do not collaborate enough, the complementary potentials that have each entity are not sufficiently exploited.

The national legislative framework regulating the economic activities in the tourist sector is well developed but **quite rigid and mainly focused on classical forms of tourist products**. For instance, even if the national and regional tourism development strategies envisage the development of new tourist products, the recently launched regional quality seal "Kvarner Family" is focused only on family apartments that provide a certain level of comfort (air conditioning, TV set, washing machine,) and does not promote innovative products.

All the business operators active in the **services sector do not have many possibilities for further development** and the creation of new jobs **due to limited market**. As a rule services are provided locally and therefore the business volume depends on the number of potential clients. Consequently, the service sector also faces the problem of seasonality.





The structure of the economy does not generate permanent jobs and the development of new tourist products

The tourism sector already employs the highest number of inhabitants. The pronounced seasonality of tourism with a very short season causes a huge fluctuation of workers who change from year to year, which results in the high presence of inexperienced seasonal workers in the total labour force.

The high demand for seasonal labour creates economic instability among the inhabitants and has a negative effect on young people. Since they prefer having a permanent job, they emigrate as soon as they get an opportunity.

Because the renting of rooms and apartments during the tourist season is not their main source of income or profession, **private owners do not contribute to a general reflection about the possible evolution of the touristic offer.** They usually reach the market through local tourist agencies the role of which is only to provide intermediation between tourists and owners. Just recently more and more owners have directly reached tourists through the internet, but in the absence of specific training the hirers are lacking in innovativeness.

The tourism sector stimulates specific associated economic activities which could take advantage of the tourism flow

Recently, a growing number of **local food producers have rediscovered the potential of fruit production and processing** (jams and fruit liqueurs), and sell them on the local market, mostly at local fairs during summer. This represents an economic opportunistic niche which takes advantage of the existing situation without changing the nature of tourism's activities.

However, the **links between agriculture and tourism are still not materialised in any rural tourism activity.** The lack of professional farmers and the restrictive rules and standards concerning accommodation results in there being only a few agro-tourist facilities, even if the tourist sector has started to make use of the comparative advantages of the island. The intact nature and environment, the rich cultural heritage, the absence of the classic tourist villages with apartments, and the atmosphere where one can experience the relaxed way of life of its residents are particularities that today the tourist operators offer to tourists more oriented toward nature and environment.

The complicated land ownership situation represents an obstacle for the

improvement of the farming practices. The small plots the ownership of which is divided up among many owners (some of them living abroad or already dead) and which are scattered around, make cultivation difficult and together with the unstable production demotivate people from becoming professional full-time farmers.

The tourism has a significant impact also on the activities of small artisans that base their main business (services, trade and fishery) on the high volume of work in the summer period.

Conclusion

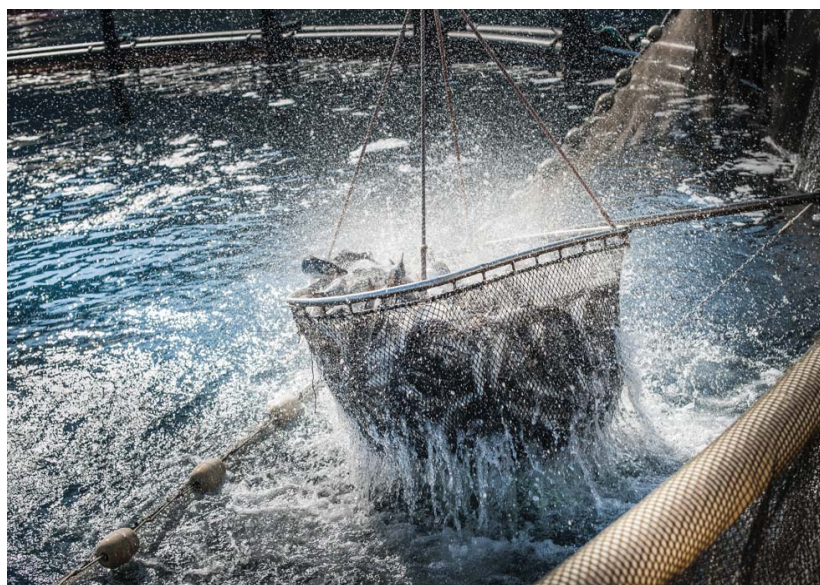
The island economy is typical but fragile

The dominance of the seasonal tourist activities, together with the traditional type agriculture defines the fragility of the island's economy. There is no poverty on the island; the inhabitants live in comfortable conditions, and take advantage of the pleasant environment. Many inhabitants improve their living standard through side activities (renting of rooms and apartments to tourism, seasonal food production to sell to tourists, etc.). However, such additional income can be secured only by people possessing land and houses while possible newcomers or young professionals find it difficult to make a living on the island.

Innovations can encourage young people to stay and migrants to come

The development of all-year-round tourism necessitates investments in hotels that offer some accompanying facilities (swimming pool, conference hall). A new category of tourists has been, attracted by the construction of the marina. Nautical tourism, involving people with greater financial resources, offers activities over the classical summer season. International regattas have been organized for more than ten consecutive years, which represents an opportunity for further development of nautical tourism, especially in spring or autumn.

The cooperative approach could be further developed in order to organize the production of other agricultural products and take the leading role in the development of the island's agriculture. The island has a good potential for honey production, but, for now, the number of beekeepers is quite low, especially those who work full time. The specificity of the olive oil and lamb meat should be better used for their promotion as typical island products. For the time being promotion is done only by the local



cooperative but it should involve other stakeholders, particularly those from the tourist sector.

The available local resources are not identified and recognised as contributions to the economy

The structure of the island economy has to be changed, and can be changed. The balance between tourism and other activities can be improved. Innovation is fundamental, especially when taking into account the existing resources offered by the island, which are considered a common heritage.

The numerous abandoned shepherds' dwellings scattered around the island, and other abandoned structures having historical interest could represent an opportunity for the development of new economic activities (rural or cultural tourism) which would contribute to their rehabilitation.

In the same way, the high biodiversity, two ornithological reserves and other natural beauties of the island can be used to enrich the tourist product, attract new types of tourists and open new kind of jobs related to nature preservation.

The increasing importance of the green energy sector in the global economy provides opportunities for new economic activities based on renewable resources like solar energy or wood. Because of the low quality of timber from the island's forests it is mainly suitable for use as firewood particularly for the local market.

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 the foreseen innovations and requested activities should be defined and managed in order to preserve the authenticity of the island, the quality of the living environment, and to correspond to the specific island way of life, attractive and unique as it is.



THE SOCIAL ENVIRONMENT

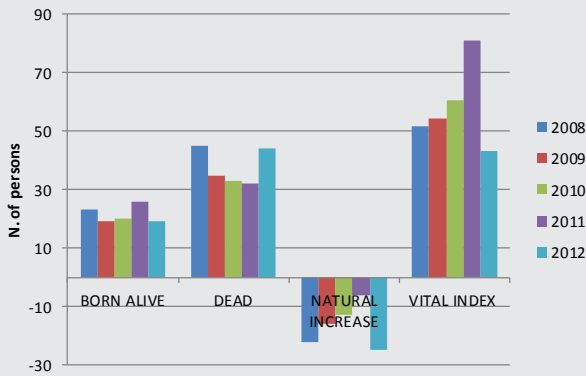
Description

The demographic trends are negative

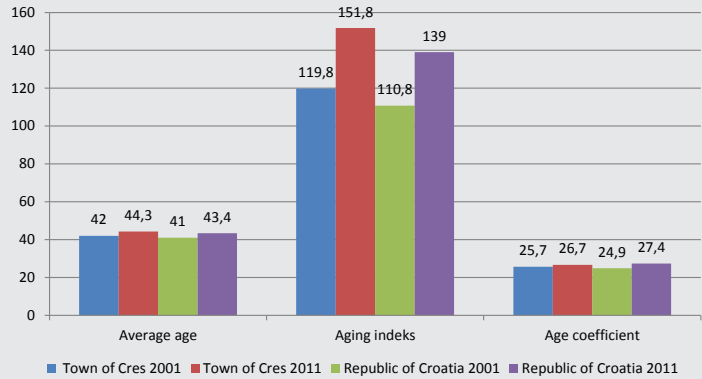
In the last several decades **the island has been affected by depopulation**. The phenomenon is more visible in the villages than in the town of Cres.

The ageing island population led to an unfavourable age structure of the total population as well as the active population. The result is a low vital index, namely the number of live births to 100 deaths (between 50 and 60), and negative natural increase (up to -25). According to census data from 2011 the average age of the population of the island has increased to 44.3 years, and the aging index and the age coefficient have also increased. All indicators are following the national trends but the figures are above the national averages.

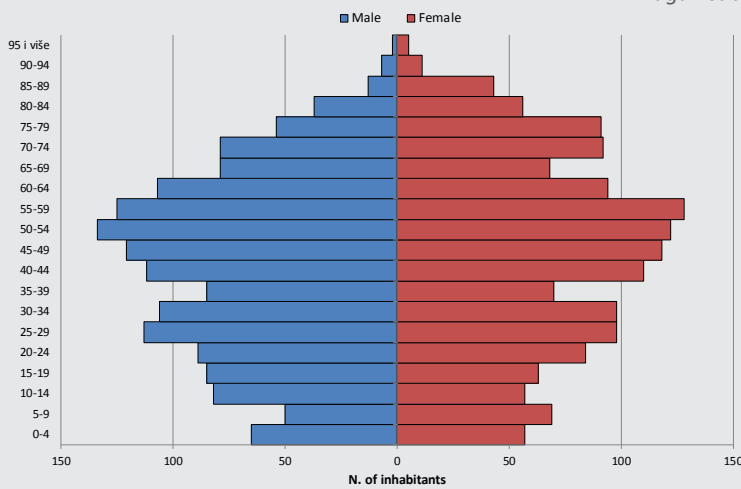
Despite the fact that **younger people emigrate** from the island in pursuit of permanent jobs, the number of new inhabitants have made **the net migration rate positive** for a long time.



Source: Croatian Bureau of Statistics
Natural change in population



Source: Census 2011
Age coefficient = the rate (%) of those old 60 years and over against the total number of inhabitants.
The aging index = the rate (%) of those old 60 years and over against the number of inhabitants old from 0 to including 19 years



Source: Census 2011
Population of the island of Cres by age and seks

Status before registration

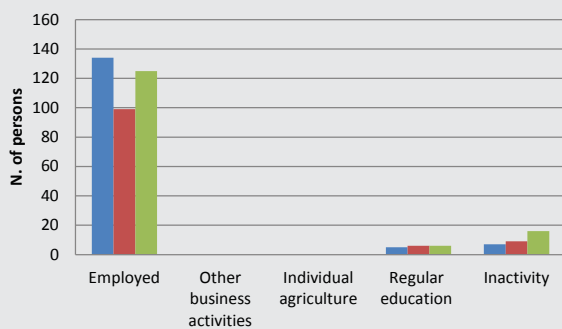


Chart No. 1 Source: The Croatian Employment Service

Type of profession

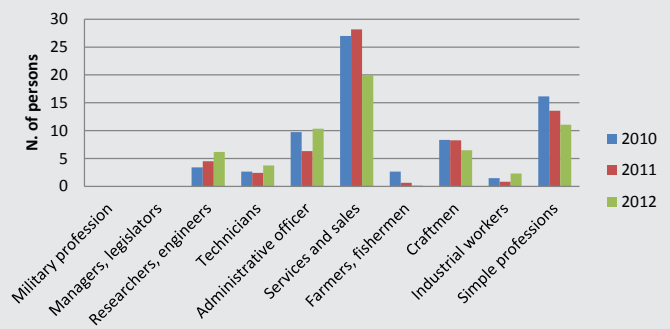


Chart No. 2 Source: The Croatian Employment Service

Age structure of unemployed

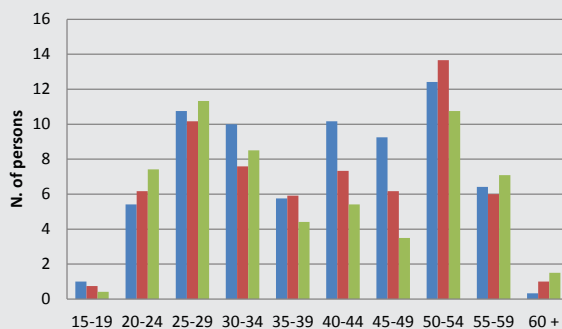


Chart No. 3 Source: The Croatian Employment Service

Duration of unemployment

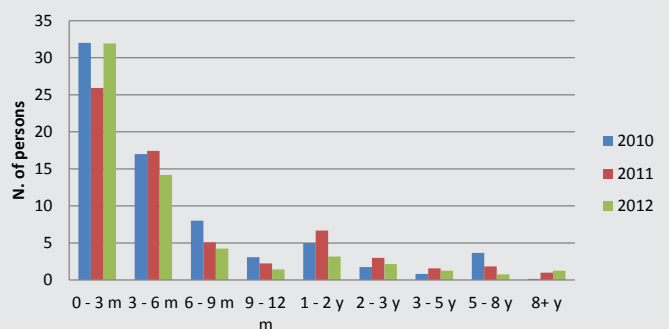


Chart No. 4 Source: The Croatian Employment Service

The population is unevenly distributed over the territory

The island of Cres is the largest island in the Adriatic Sea, and yet, it has only 3,055 inhabitants, so its population density is among the lowest (7.5 inhabitants/m²). The real situation is even worse considering that **three quarters of the islanders live in the town of Cres** – the only larger urban centre on the island. Many small settlements were built in the vicinity of arable land or pastures, away from the sea, and today have fewer and fewer inhabitants because of the gradual abandonment of the traditional rural economy.

| Island | Surface area, km ² | Number of inhabitants, 2011 | Population density, inhabitants/km ² |
|---------|-------------------------------|-----------------------------|---|
| Cres | 405.78 | 3,055 | 7.53 |
| Krk | 405.78 | 19,383 | 47.77 |
| Brač | 394.57 | 13,956 | 35.37 |
| Hvar | 299.66 | 11,077 | 36.97 |
| Pag | 284.56 | 9,059 | 31.84 |
| Korčula | 276.03 | 15,522 | 56.23 |

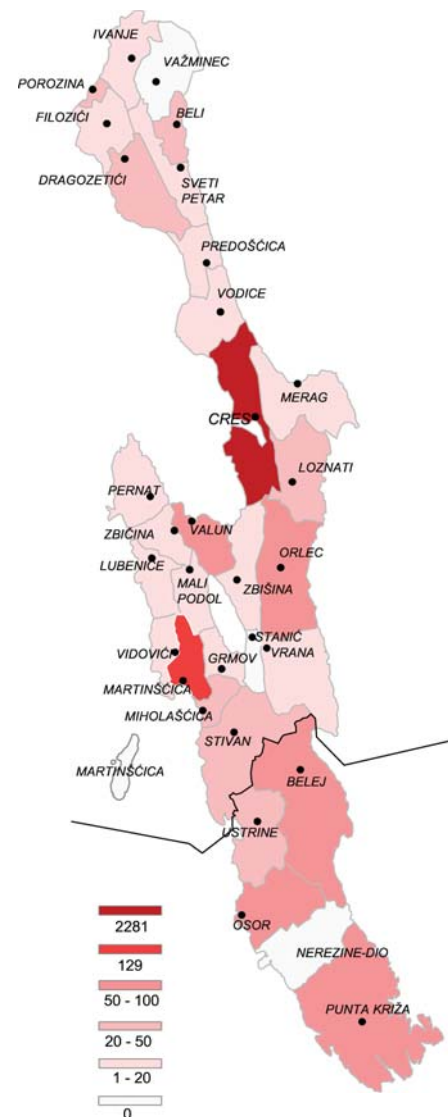
Source: Croatian Bureau of Statistic
Population density on bigger Croatian islands

The unemployment trends vary according the seasons

According to the Croatian Employment Service, the number of unemployed persons on the island fluctuates between 130 in winter and 30 in summer. Since the number of permanent jobs is around 940, **the registered unemployment rate in winter time is half of the national average.**

The vast majority of the unemployed have already been employed before being registered as unemployed (probably seasonal workers), while a **very small number of the unemployed come straight from regular education.** The most common cause of termination of previous employment is the expiration of the employment contract, and only in a small percentage due to business failure of the employer (*Chart No. 1*). Most of the unemployed seek for jobs in services and trade, or simple occupations (*Chart No. 2*). Most of the unemployed are young (20-35 years), and a significant proportion of the unemployed belongs to the age group of 50-55 years (*Chart No. 3*). People tend to be on the unemployment register for 3 to 6 months, which indicates that most of them work in seasonal jobs (*Chart No. 4*).

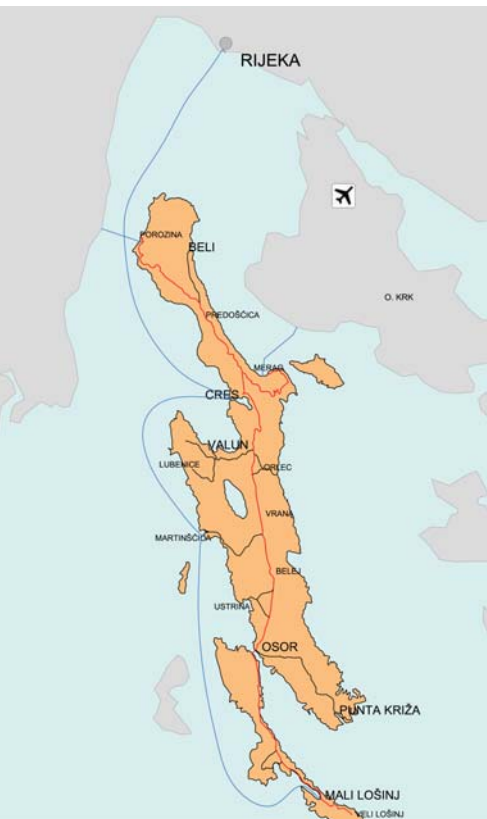
Fifty-five per cent **of unemployed people have secondary school education and 26% only primary school education.** The smaller rate of the unemployed with higher education is the result of their smaller presence in the society, as well as more frequent emigration from the island for work reasons.



Source: Census 2011
Number of inhabitants per statistical settlement

Employment / unemployment in the Town of Cres as of 31 March 2014

Employed persons: 958
Unemployed persons: 112
Registered unemployment rate in Cres: 10,5%
Registered unemployment rate in Croatia: 22,3%



Road and sea connections

The average standard of life is good

Physical infrastructure on the island is quite well developed. The Vrana Lake represents an invaluable asset for the islanders who can satisfy all their needs for drinking water from this source. The lake is therefore protected as source of water supply. Almost all households, except those in the settlements that are located north of Cres, are connected to a public water supply system. Availability of electrical power systems and the island's coverage with fixed and mobile telecommunication network is also good. However, access to broadband Internet is rather difficult and expensive, and in some smaller settlements is unavailable.

The 30 island **settlements are relatively well connected by the public road network.** The main circulation backbone of the island is a national road (D100) that runs from north to south of the island, touching many settlements. The connection with the mainland via two ferry docks is very good considering the technical equipment of the port and the ferry fleet, and the frequency of runs.

Connection between the island and the mainland by **public transport** is good (bus and ferry lines), whereas the public transport **connections between the settlements is quite poor.**

The social infrastructure is only located in Cres

The pre-school, elementary and secondary education are at a very good level, thanks to the quality of staff and adequate capacity of the facilities.

Even though there are no other sports facilities except the soccer field and school gym in Cres, **there are eight sport clubs active,** almost entirely financed from the town budget.

The organization of health services at family physician level is satisfactory and in accordance with the prescribed standards, while medical examinations in specialist clinics and special therapeutic procedures can only be done in Rijeka. For many years there has been an additional medical team in Cres which is available in cases of low priority emergency as well as for the tourists who need medical attention. The only nursing home on the island is located in Cres and its capacity is insufficient to satisfy the needs of the inhabitants.

The cultural life is mainly concentrated in summer time, during the tourist season when the island hosts numerous cultural events. On the island there are also two museums and one library.

There are few public services available

Cres town hosts all the administrative functions and social facilities, while nearly all the other settlements have only a residential function (temporary or permanent). In some settlements some limited catering and tourism activities are developed, while for all the rest they have to look to the towns of Cres or Mali Lošinj (settlements in the south of the island).

Almost no state institution has a permanent office in Cres; the exceptions are the State Geodetic Directorate office, the Registry Office (open one day a week) and the Social Welfare Centre (open three days a week). Most state offices are located in Mali Lošinj (Municipal Court, Magistrate's Court, branch office for the economy, Tax Administration, the Croatian Employment Service offices, Health Insurance, Pension Fund, customs, etc.), while some of them are in the county centre, in Rijeka.

Analysis

The concentration of inhabitants and economy in the town of Cres creates imbalanced pressures on the territory

The phenomenon of depopulation is particularly pronounced in smaller settlements. Due to the rugged and unusual geography of the islands, many small settlements were built in the vicinity of arable land or pastures, away from the sea. Their position has not favoured the development of the traditional tourist economy based on the vicinity of the beach so they remain oriented to the traditional agriculture which has lost its competitiveness.

Such **settlements are quite isolated and have very little or no attraction power** as places for living, since they do not provide great opportunities for the creation of new values (employment), do not have any type of services available and do not satisfy the needs of everyday life and social interactions. Therefore, the young people have mainly left such settlements and moved to Cres or the mainland. Only the elderly remain, with the risk of staying isolated and with increasing difficulties to secure proper healthcare services.

The newly immigrated people settle mainly in the town of Cres, which increases the unbalanced development on the island, and makes pressure on the land, which is a non-renewable resource. Part of the town has already been extended at the expenses of cultivable land, which does not abound around the town. The emigration of natives is noticeable even in the town of Cres, although it is well equipped with technical and social infrastructure that provides its residents with a fairly high level of comfort



and security of living. The unfavourable demographic picture with negative natural increase due to the aging of the population and the departure of qualified young people, primarily in search of permanent employment, will very likely limit the further development of the island.

Institutions do not sufficiently take into account the disadvantages of island constraints on inhabitants' life

The level of services on the island is lower than on the mainland. The availability of public services in the town of Cres is quite low, which in the end results in higher costs for the inhabitants, in terms of money and time, since often they have to travel to Mali Lošinj or even to Rijeka to get them. A journey to Rijeka is necessary for most health services and for education because some of the teenagers attend the secondary school there. All official business regarding agricultural activities must also be done in Rijeka even for people that are not professional farmers.

The inconveniences brought by the life on the island are not sufficiently compensated by the state through particular tax breaks or availability of special subsidies. There are a few legislative solutions, mainly based on the island Act, which try to ease and financially support the life on island, but their effects are hardly perceivable in everyday life. The most tangible support regards the subsidies for public marine transportation, while the subsidies for the work of the island's associations and the subsidies to island's employers for the maintenance of jobs are less important and visible to the population.

Many problems related to public services are outside the purview of local governments and thus, very often depend on solutions provided at the national level, which are not adaptable enough to fit local needs. The **development index** (calculated through a complex formula) of the island's two municipalities **is above the national average which impedes the access to certain development funds.** The index tends to conceal the

insularity as an important aspect of the life on the territory and to give a distorted picture of the real development level and quality of life. For instance, the national and regional governments ensure the availability of the basic health services on the island, but all additional services at local level are at the expense of the two municipalities.

Still, some **improvements can be noticed.** In the last two decades a lot has been done by the national and local competent authorities in the improvement of the transportation sector (particularly ferry and car-ferry lines), but the connections of settlements within the island are still not satisfactory. The educational infrastructure and the health services have also been enhanced thanks to financial support



that is provided by the local and regional authorities.

The special island way of life does compensate for some shortcomings

The tourist activities have an important impact on different aspects of the quality of life. The impact is particularly manifested in the overall costs of life on the island which is higher than on the mainland. The market influenced by the tourist sector, the limited competition that disrupts the functioning of normal market mechanisms and the additional transport costs, increase the costs of goods and services. The attractiveness of the area keeps the price of real estate high, which represents a problem for local young people and newcomers who get jobs on the island. The prices of rent are also high and in the summer period is impossible to rent a flat for a price lower than that obtained from the tourists. The quality and the type of jobs available, particularly those seasonal, are also highly influenced by the tourist sector.

In the summer period the people are busy and the **community's cohesion is no longer what it used to be**, but some of the traditional values and lifestyle of the island's population can still be recognized.

All in all, the quality of life is good and for certain aspects attractive. The way of life on the island is characterized as **stillness** – people have a lot of free time and a possibility for additional revenue, mainly from tourism and agriculture. The majority of the population considers that some disadvantages of the life on the island are greatly compensated for by the particular social environment and lifestyle. This point of view is a bit less frequent among the inhabitants of smaller settlements.

Despite some inconveniences, the particular way of life on the island can be very attractive for people who are tired of stressful living in large urban areas. The positive aspects of island life are not sufficiently communicated to potential new workers and residents.



Conclusion

The low number and uneven distribution of inhabitants on the territory affects the development of infrastructure and social services

The relatively small total number of inhabitants on the island and their concentration in the town of Cres has resulted in the concentration of the economic activities, administrative functions, social services and cultural life. Such an unbalance of living conditions, job opportunities and access to social and public services encourages further migration from the smaller settlements to Cres.

The concentration of inhabitants and economic activities only around the town of Cres leads to imbalanced pressures on the territory and landscape.

Tourism has some negative effects on the quality of life

The attractiveness of the area keeps property prices and flat rentals high. The market for goods and services is also highly influenced and distorted by tourism and the isolation of the area, which limits the functioning of the normal market mechanisms. The high living costs and the difficulty of buying or renting property for reasonable prices have negative effects on the overall quality of life. There are no particular measures in place that could reduce the problem of the high costs.

The tourism also highly influences the cultural life of the inhabitants, because it is concentrated in the summer season.

The hectic work in the summer period, when people are focused on earning, weakens social cohesion and some residents gradually lose the sense of belonging to a community that is still trying to preserve some traditional values.

The attraction of new (young) residents can compensate for the aging of the population

The average age of the island's population has been increasing for several decades and in the future can become a serious problem for the labour market and development of economic activities on the island. The rising number of older people will also gradually increase the pressure on the health and welfare social services. True, the pleasant lifestyle could retain the young islanders and attract new residents, but only if new jobs and business opportunities are created.



THE LOCAL GOVERNANCE

Description

There are two units of local self-government for one island

The elongated shape of the island and the orientation of certain settlements toward two different urban centres brought about a division of the island into two units of local self-government: the Town of Cres whose territory includes three quarters of the area, and the Town of Mali Lošinj, to which the rest of the island belongs, and the whole island of Lošinj and has its administrative centre on the island of Lošinj.

The two Towns carry out tasks of local importance that directly address the needs of citizens and that are not assigned by law to the state authorities. Within the scope of self-government, the Towns: dispose, manage, and use their property; promote social and economic progress for the valorisation of local specialties and respect for the natural and physical capacities; provide the conditions for defining spatial management policies, the improvement and protection of the natural environment; carry out tasks related to the support of entrepreneurial activities and the use of space owned by the Towns; secure the conditions for sustainable development of utility activities; take care of the development of settlements, the quality of housing and communal facilities; organize the performance of utility and other activities; establish legal entities in order to achieve economic, social, communal, welfare and other interests and look after the needs of the population; encourage activities of civic associations; perform and regulate other activities directly related to the interests of the towns' communities for their economic and social progress.



Units of local self-government and local committees

In order to facilitate their direct participation in the management of the local territory, the residents of smaller settlements are organized in local self-government boards. There are 9 operating on the islands of Cres that include 25% of the island's inhabitants. The remaining 75% of the inhabitants live in the town of Cres.

In the area of Town of Cres the following local self-government boards are active:

1. Beli local committee
2. Dragozetići local committee
3. Orlec local committee
4. Valun local committee
5. Martinšćica local committee

In the area of the island administrated by the Town of Mali Lošinj the following local self-government boards are active:

1. Belej local committee
2. Ustrine local committee
3. Osor local committee
4. Punta Križa local committee.

The administrative territory of the Town of Cres covers 26 out of the 30 statistical settlements on the island; 93% of the entire population live there.

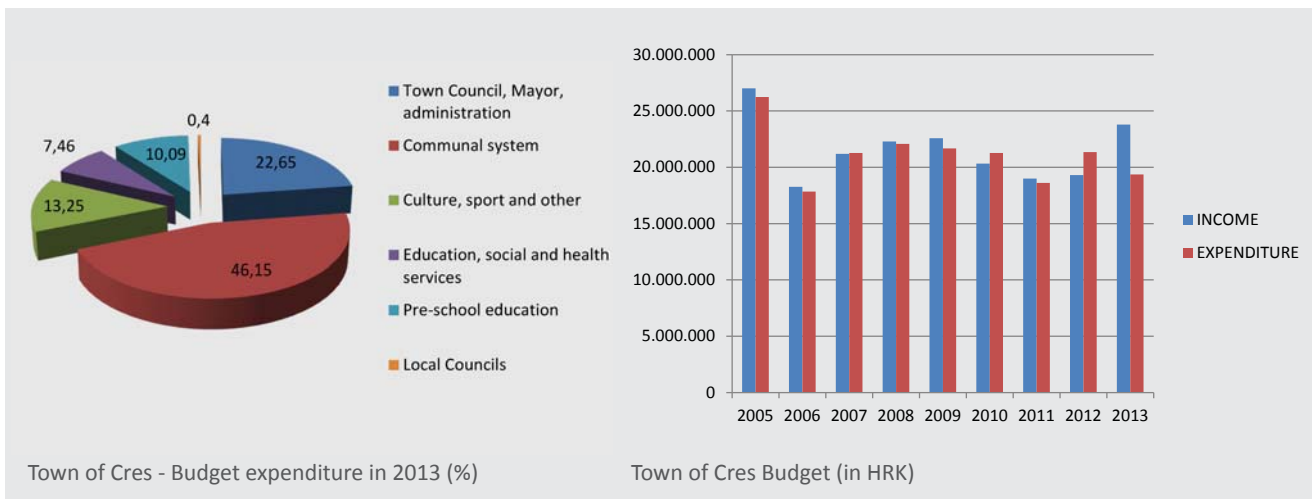
The County of Primorje-Gorski Kotar is the regional self-government unit and is directly responsible for issues regarding its primary sphere of competence like education, health care, physical and urban planning, economic development, transport, transport infrastructure and maritime property, nature protection, hunting areas, the maintenance of public roads, issuing of building permits and other documents related to the construction and implementation of spatial planning.

Certain issues are under the competence of the **national bodies, agencies or companies** among which are very important issues regarding the state agricultural land, state forests, state roads and transport in general. The state has also passed legislation regarding the sustainable development of the islands in the Islands Act.

Local authorities and civil society have limited capacity for launching new development initiatives

The administration in the Town of Cres has 16 employees, but the structure is **inadequate to foster and facilitate the development** of the area and to implement projects.

In recent years the budget of the Town of Cres has on average amounted



to 20 million HRK, with oscillations that are irregular and do not indicate a possible, even nominal, trend. The budget is sufficient to settle all recurrent expenditures. Since the fiscal capacity of the Town of Cres is weak the **greater part the budget is allocated for defrayal of fixed costs.**

The Towns of Cres and Mali Lošinj have recently set up the **Island Development Agency** the main mission of which at the moment is to implement the LDPP and elaborate a long term development strategy. The Agency still has only 2 employees almost totally engaged in the implementation of the LDPP. The available budget does not allow the employment of additional staff which limits its capacity to work on activities outside the project.

More than 40 NGOs working with varied scope of work in different areas are registered on the island, some of which are very active and have achieved significant results. Still, only two associations employ professional staff.

Efficient strategic development documents are lacking

The development of the island is mainly based on spatial planning documents that are well made and based on relevant data. These documents, made by professional authorised institutes and adopted by the local authorities, define the use of the land. However, their elaboration and adoption was not based on strategic documents that define the overall development of the community and the territory. Each of the two units of local self-government has its own set of documents concerning their own territory. While Mali Lošinj has recently adopted several development documents, the documents for the area of the Town of Cres are still in the drafting phase.

The only development document that considers the whole territory of the island of Cres is the Plan of Sustainable Development of the Island that was written back in 2005 but has never been adopted and implemented. In 2012 the stakeholders from the islands of Krk, Cres and Lošinj established a

LAG, but the **Local Development Strategy has not been officially adopted.**

The development of tourism is mainly based on **Master Plan of Tourism Development** in the County of Primorje-Gorski Kotar, and Mali Lošinj has its own tourism development plan.

Analysis

Lack of integrated territorial management

The fact that the **island is divided in two administrative units affects to some extent the manner and quality of the management** of the entire area, since the two local governments in some cases have different objectives and priorities. The two Towns in general cooperate well in the fields where the cooperation is indispensable, as in the management of joint municipal companies dealing with water supply, wastewater and other communal services, but the collaboration is not sufficiently vigorous in many other fields of local government competence, such as in spatial and development planning. The orientation of the rural population toward two different administrative centres does not facilitate the mutual collaboration and management of the island and its resources as a single territory.

It seems also that the small number of people living in the villages have limited capacity to directly manage their small communities and the belonging territories. The Statute of the Town of Cres for instance offers the **possibility of entrusting the local committee with some individual tasks** that are within the scope of the Town and which have direct and everyday impacts on the lives and work of people living in the area of a local committee, but **no advantage has been taken** of this possibility.

The existing system of governance does not contribute to the elaboration of a common development vision and strategy

The lack of culture of local development and of place-based approach has prevented the local community from directing its efforts toward the enhancement of its capacity to elaborate and implement comprehensive long term development strategy of the island.

The development of the island is mainly based on spatial planning documents, even though their purpose is to define the use of the land. The Cres' town authority bodies have never adopted any other strategic documents for long-term development, even



though such documents were made. **The long-term development activities are therefore conducted in a quite inarticulate way** and are generally based on the four-year political agendas of the parties in power.

The Town of Cres has insufficient financial and human resources to incentivise and accelerate new initiatives. Its fiscal capacity is quite low and a significant part of the budget is spent to cover fixed costs so what remains is not sufficient to start important projects. The professional qualification structure and the skills of employees are inadequate for drafting and implementation of new project schemes, particularly those regarding different EU funds.

The **cooperation between Cres and Mali Lošinj is weak** and is focused mainly on topics related to the management of common services and infrastructure. The island of Cres is not approached as a single geographical territory so each town plans and manages its part of the territory in its own way. The differences in the commitment and approach to the management of the island are influenced first of all by the number of settlements, inhabitants and the economic resources present on the territory. The orientation of the rural population toward two different administrative centres also makes for difficulties in any collaborative efforts.

The units of regional and local self-government, as well as the public authority bodies managed at the national level, have different competences in the area, but in some cases there is **no clear demarcation of responsibilities** among them. There are some activity areas, like education, health care and others where all three levels are involved but in the absence of a consultation and coordination mechanism the potential synergy effects of the single solutions and actions cannot be achieved.

The only development document elaborated for the whole island, the Plan of Sustainable Development (based on the Island Act), envisaged the active collaboration and involvement of all three levels in its implementation. The Plan has never been formally adopted in the way envisaged by the law and the attempt to implement it failed. The cooperation between the local government and relevant institutions at higher levels is made difficult also by the **absence of a commonly accepted long-term development strategy** of the island.

Local initiatives do not generate sufficient synergy

Despite the existence of incentive funds at a national level, **the lack of entrepreneurial spirit, initial capital and institutional support all work against the creation of a favourable environment for starting up a private business or development project.**

The management of the territory, the community and the resources





is based primarily on legal solutions – local authorities make their own plans and implement specific activities defined by law, with the **minimum involvement of civil society**.

The NGOs' activities are not sufficiently coordinated, either among themselves or with the local government bodies, which reduces the potential effect of individual initiatives, for they are often limited to small areas. As a result there is no synergy between the different activities which leads to these NGOs making only a minor impact on the territory.

The **cooperation between local government and the business sector is also weak** because the government has not recognized the need to support the economy for the purpose of overall social development. There is the impression that a local body or institution that would function as a link between the island and the County and State could improve the situation and facilitate the cooperation among different activities. The **Island Development Agency** could take this role since it is a part of its mission but at the moment the Agency has very limited capacity.

Inhabitant participation in decision-making and actions by the civil society are not sufficient to support the local public actions

The management of the island only through 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 necessarily plays down the integrity of the island as a single geographic unit.

The competent authorities should be encouraged to extend their collaboration outside the formal sphere envisaged by the law. A system of consultation and cooperation among the stakeholders would improve the management of the territory, from the planning through to the implementation of different activities.

The capacity for coordination and the culture of territorial management should be developed

The shortage of qualified staff, capable of working with local elected representatives for the purpose of mobilising resources for common projects, results in initiatives that tend to be dispersed, incompatible or contradictory. This underlines the importance of the availability of the qualified and the competent personnel necessary for the coherent management of the whole territory.

The absence of cooperation among the stakeholders makes it difficult for them to share a common vision for the future development of the island and to guide suitable projects in the most appropriate direction. The coordination capacity of the units of local self-government can be enhanced, but it will necessitate investigation of a model capable of matching the needs of the territory.

All stakeholders who could contribute to the development of the island should be mobilised in one ambitious and coherent common development project

Several stakeholders act for the development of the island: the State through the Ministries and Institutes, the units of regional and local self-government, private actors and NGOs. They all launch different initiatives and invest in the island. Sometimes their initiatives overlap and there is no integrated, transversal strategy capable of underling their real impact. A comprehensive development document validated by the major stakeholders would facilitate the coordination of the individual initiatives and direct them toward the common goals.



CONCLUSIONS

This Territorial Diagnosis represents an overview of the general state of affairs on the island of Cres. Thanks to the comprehensive collective analysis and consultations with local, regional and national stakeholders, this document is not a piece of desk research into the already available data but represents the common view of participants about assets and possibilities in the territory and about factors that hamper the progress and development of the local community.

After the analysis of the situation in the territory and the outcome of the public discussions three major issues at stake were identified:

1. **The sustainable exploitation of the territorial heritage resources as leverage for the creation of attractive jobs for the youngest generations.**

The development of the Island of Cres has been so far mainly based on traditional agriculture and activities connected with the sea, and more recently the tourism.

Economic constraints and problems connected with title to real estate have limited the development of traditional activities. The tourist sector is dominant but it offers a sort of tourism that does not take advantage of all the specific features of the territory. Tourism remains essentially seasonal, poorly diversified and mainly oriented towards family tourism.

These conditions make the area unattractive to the young, who are leaving for the mainland for education and better job opportunities.

The island of Cres has however rich territorial resources (natural heritage, biodiversity, water, typical products, forest, built heritage, etc.) which could be used for economic development and jobs: small and medium artisanal enterprises developing local products, eco and agro-tourism, agriculture creating added value for local products, renewable energies, cultural industries, etc. Innovations and strategies related to these issues are however dependent on there being well-targeted professional qualification and training programmes (innovative skills for agriculture, for tourism, for heritage, for territory animation, creation of activities and private initiatives, etc.).

2. **The mobilisation of all stakeholders to support and manage a common development project**

Diverse stakeholders act individually for the development of the island: the State through the Ministries and Institutes, the County, the two Towns, the private actors and NGOs, and all invest in the island. Several of their actions overlap without any integrated and transversal strategy capable

of underlining their real impact. If there is investment in equipment and infrastructures, it is not necessarily for a shared and common objective.

The shortage of qualified staff capable of working with local elected representatives for the purpose of mobilising resources for common projects, results in initiatives that tend to be dispersed, incompatible or contradictory. This draws urgent attention to issues related to the qualifications and competencies necessary for the coherent management of the whole territory. The absence of systematic cooperation among the stakeholders makes it difficult for them to share a common vision for the future development of the island and to guide the suitable projects toward the most appropriate direction.

3. The multiplication of local initiatives for maintaining the quality of the territory and the sustainability of its resources

The environmental, landscape, and heritage qualities and features constitute the main richness of this territory. However much this wealth is recognised as one of the main values of the territory, the existing quality of life on the island and the seasonal tourism-based economic development are such that the local people have little thought for these resources and take few initiatives to look for a form of economic development that would be new and yet nevertheless respect local resources.

The middle-term risk is to see these resources disappearing because of the lack of maintenance and management, which would make the economic development based on tourism more difficult in the future, because it would be without any connection with the specificity of the territory. Three specific aspects have to be considered:

- The wider community should find the means to stimulate private initiatives at the service of the territory and foster greater awareness of the importance of a kind of development that pays more attention to endogenous resources.
- Existing protection measures need enforcing and awareness of their importance during the implementation of ongoing or future suitable development projects should be enhanced. Consciousness raising and education, especially through examples, can play a part in obviating or reducing tensions.
- The need to find adapted responses regarding the problems generated by invasive species.

These issues will be the starting point for the implementation of the next phase of the LDPP, which will be the elaboration and the adoption of a long-term strategy of development for the territory. The structural changes that strategy will propose will have to be consistent both with the issues at stake and with the principles of the LDPP. The strategy phase will also be based on the co-operation of all stakeholders and transparency in order to allow them to make this strategy their own and involve themselves in its implementation once it is defined.

Workshops held during the diagnostic phase:

Working group – Natural and Cultural Heritage

| | |
|------------|-----------------|
| Workshop 1 | 4 November 2010 |
| Workshop 2 | 7 December 2010 |
| Workshop 3 | 12 May 2011 |
| Workshop 4 | 16 June 2011 |
| Workshop 5 | 26 January 2012 |
| Workshop 6 | 10 May 2012 |

Working group – Economy

| | |
|------------|------------------|
| Workshop 1 | 24 November 2010 |
| Workshop 2 | 15 December 2010 |
| Workshop 3 | 11 May 2011 |
| Workshop 4 | 17 June 2011 |
| Workshop 5 | 25 January 2012 |

Working group – Social Environment

| | |
|------------|------------------|
| Workshop 1 | 25 November 2010 |
| Workshop 2 | 16 December 2010 |

Working group – Local Governance

| | |
|------------|------------------|
| Workshop 1 | 23 November 2010 |
| Workshop 2 | 14 December 2010 |

Workshop for young people – 30 April 2011

Workshop for second home owners – 17 August 2012

Final workshop (plenary meeting of all stakeholders) – 5 November 2013

Because there were too few workshop participants for the social environment and local government working groups to enable high quality work, after the second round of workshops, the members of these groups joined the working group for the economy.

The list of workshop participants and the number of workshops attended

| | NAME AND SURNAME | ORGANIZATION | No. WORKSHOPS |
|-----|-------------------------|---|---------------|
| 1. | Igor Zlatkov | Family Farm Margar Filoški / LAG Filožići | 7 |
| 2. | Danijel Kučica | Association Pramenka | 6 |
| 3. | Tatjana Lolić | Ministry of Culture | 6 |
| 4. | Vesna Jakić | Association Ruta Cres | 6 |
| 5. | Franko Fučić | Association Ulika / Agricultural Cooperative Cres | 5 |
| 6. | Marina Jurkota-Rebrović | Association Gromača; Stone Centre | 5 |
| 7. | Mauricijo Pinezić | Association of Pensioners Cres | 5 |
| 8. | Stevo Filinić | Cresanka d.d. | 5 |
| 9. | fra Zdravko Tuba | Monastery of Sv. Frane | 5 |
| 10. | Zoran Skala | Public Institute for Spatial Planning of Primorje-Gorski Kotar County | 5 |
| 11. | Inge Solis | Cres Museum | 4 |
| 12. | Ivan Đogić | Student – Faculty of Agriculture – Zagreb | 4 |
| 13. | Josip Fornarić | Association of Pensioners Cres | 4 |
| 14. | Besim Asani | Town Councillor | 3 |
| 15. | Jelena Mihić | Cresanka d.d. | 3 |
| 16. | Julijano Sokolić | Homeland Society Sv. Frane – Nerezine | 3 |
| 17. | Karmen Saganić | Jadranka d.d. / Camp Slatina – Martinšćica | 3 |
| 18. | Marčelo Damijanjević | President of the Town Council – Town of Cres | 3 |
| 19. | Marko Komadina | Europa nova d.o.o. | 3 |
| 20. | Marko Randić | Public Institution “Nature” | 3 |
| 21. | Mile D. Janković | Association ASP | 3 |
| 22. | Nada Kremenić | Town of Cres | 3 |
| 23. | Tea Sušanj-Protić | Conservation Department Rijeka | 3 |
| 24. | Boris Kučić | Harbourmaster’s Office | 2 |
| 25. | Dražen Cerjanec | Ministry of Agriculture | 2 |
| 26. | Dubravka Fak | Town of Cres | 2 |
| 27. | Franko Kučić | Homeland Society Puntari – Punta Križa | 2 |
| 28. | Jadranko Bjelkanović | Town Councillor | 2 |
| 29. | Jelena Čanik | County of Primorje-Gorski Kotar | 2 |
| 30. | Laura Jursić | Association of Pensioners Cres | 2 |
| 31. | Marija Rogić | Association of Pensioners Cres | 2 |
| 32. | Marijana Dlačić | Centre for Sustainable Development Gerbin | 2 |
| 33. | Mladen Dragoslavić | Carnica d.o.o. | 2 |
| 34. | Petar Mamula | Agricultural Advisory Service | 2 |
| 35. | Petar Miočić | Town Councillor | 2 |
| 36. | Sanja Rogović | Cresanka d.d. | 2 |
| 37. | Agneza Mužić | Folklore Society Orlec | 1 |
| 38. | Anđelko Petrinić | Port Authority Cres | 1 |
| 39. | Barbara Mužić | Youth Association Susajda | 1 |
| 40. | Biserka Regrat | Tourist Board Mali Lošinj | 1 |
| 41. | Branko Šantić | Owner of holiday house | 1 |
| 42. | Darija Vasić | Tourist Board Cres | 1 |
| 43. | Darko Gržić | Local Committee Dragozetići | 1 |

| | | | |
|-----|--------------------------|---|---|
| 44. | Dorijana Deželić | Youth Association Susajda | 1 |
| 45. | Dragan Medarić | Youth Association Susajda | 1 |
| 46. | Dragutin De Syo | Owner of holiday house | 1 |
| 47. | Dubravko Devčić | Association of Sheep Breeders Lesa | 1 |
| 48. | Đanino Sučić | Town Councillor | 1 |
| 49. | Đurđica Šimčić | Tourist Board Mali Lošinj | 1 |
| 50. | Elsu Kuljanić | Owner of holiday house | 1 |
| 51. | Filip Zrilić | Owner of holiday house | 1 |
| 52. | Franko Surdić | Italian Community Cres | 1 |
| 53. | Goran Sušić | Eco-Center Beli | 1 |
| 54. | Hicela Margan | County of Primorje-Gorski Kotar | 1 |
| 55. | Irena Peršić Živadinov | Public Institute for Spatial Planning of Primorje-Gorski Kotar County | 1 |
| 56. | Irena Šintić | Town of Cres | 1 |
| 57. | Ivan Krivičić | Homeland Association Bratohna | 1 |
| 58. | Ivka Šimunović | Town of Mali Lošinj | 1 |
| 59. | Jana Zec | Town of Cres | 1 |
| 60. | Jasmina Malatestinić | Local Committee Beli | 1 |
| 61. | Josip Cesarić | Local Committee Belej | 1 |
| 62. | Joso Pavić | Craftsmen Association Cres-Lošinj | 1 |
| 63. | Juraj Sepčić | Pensioner | 1 |
| 64. | Katarina Vitić | Youth Association Susajda | 1 |
| 65. | Ladislav Ilčić | Owner of holiday house | 1 |
| 66. | Ljerka Drndelić | Owner of holiday house | 1 |
| 67. | Maja Sepčić | Youth Association Susajda | 1 |
| 68. | Maja Šantić | Owner of holiday house | 1 |
| 69. | Manda Horvat | Ministry of Tourism | 1 |
| 70. | Marijan Cergulj | Owner of holiday house | 1 |
| 71. | Marijan Drndelić | Owner of holiday house | 1 |
| 72. | Mateo Ferarić | Agricultural Cooperative Cres | 1 |
| 73. | Melita Chiole | High School Ambroz Haračić | 1 |
| 74. | Morena Demijanjević | Youth Association Susajda | 1 |
| 75. | Nevenka Morović-Janković | Town of Mali Lošinj | 1 |
| 76. | Ozana Hofmann | Health Center Dr. Dinko Kozulić | 1 |
| 77. | Partis Salković | Vodovod i čistoća Cres Mali Lošinj d.o.o. | 1 |
| 78. | Petar Muškardin | Local Committee Ustrine | 1 |
| 79. | Ranka Saračević-Wurth | Ministry of Culture | 1 |
| 80. | Ranko Glumac | Ministry of Agriculture | 1 |
| 81. | Rino Negovetić | Youth Association Susajda | 1 |
| 82. | Sanja Tomić | Town Councillor | 1 |
| 83. | Tijana Ban Vrsalović | Association Volim Beli | 1 |
| 84. | Vanja Mijatović | Youth Association Susajda | 1 |
| 85. | Vladimir Lužina | Susajda d.o.o. | 1 |
| 86. | Zlatan Prelog | Owner of holiday house | 1 |
| 87. | Walter Salković | Town of Cres | 1 |

APPENDIX II

Summary of conclusions

| GENERAL CONCLUSIONS | CHAPTER CONCLUSIONS | CHAPTER HEADINGS |
|--|--|---|
| <p>The sustainable exploitation of the territorial heritage resources as leverage for the creation of attractive jobs for the youngest generations.</p> | <p>NATURAL HERITAGE</p> <p>Biodiversity and ecological stability are under threat</p> <p>Public and civil sector cooperation is insufficient for launching new initiatives</p> <p>The natural heritage is an opportunity for new economic activities</p> | The island has a rich flora and fauna and a high biodiversity rate |
| | | The island offers a variety of landscapes |
| | | The care for nature is not sufficient |
| | | A well preserved natural heritage contributes to the good image but does not add value to the local economy |
| | | One of the biggest threats for biodiversity comes from invasive mammal species |
| | | The present level of research and monitoring on biodiversity is not sufficient to ensure relevant policy |
| | <p>CULTURAL HERITAGE</p> <p>The development deficit has contributed to the preservation of the cultural heritage but today it represents a risk</p> <p>The local identity is in danger</p> <p>Cooperation among actors through partnerships and efficient governance are wanting</p> <p>The re-use of the heritage represents a development opportunity</p> | The built heritage gives the island its uniqueness |
| | | A cultural landscape and intangible heritage of unspoilt originality |
| | | The lack of maintenance, deterioration and alteration of the immovable heritage increases the risk of authenticity being lost |
| | | The potential of the cultural heritage is not used for development |
| | | The local community has no capacity to take care of heritage all alone and the public institutions have limited resources |
| | | The NGO sector is almost alone in maintaining the local tradition and culture |
| | <p>ECONOMY</p> <p>The island economy is typical but fragile</p> <p>Innovations can encourage young people to stay and migrants to come</p> <p>The available local resources are not identified and recognised as contributions to the economy</p> | Tourism activities dominate the economy |
| | | Agriculture is a significant non-professional activity still done in the traditional way |
| | | Old traditional industries are in decline |
| New activities appears in the economic landscape | | |
| Traditional agriculture protects the fragile natural and cultural environment | | |
| The lack of cooperation and administrative or mentality rigidities limit innovation | | |
| The structure of the economy does not generate permanent jobs and the development of new tourist products | | |
| The tourism sector stimulates specific associated economic activities which could take advantage of the tourism flow | | |
| <p>The mobilisation of all stakeholders to support and manage a common development project</p> | | |

| | | |
|--|---|--|
| <p>The multiplication of local initiatives for maintaining the quality of the territory and the sustainability of its resources</p> | <p>SOCIAL ENVIRONMENT</p> <p>The low number and uneven distribution of inhabitants on the territory affects the development of infrastructure and social services</p> <p>Tourism has some negative effects on the quality of life</p> <p>The attraction of new (young) residents can compensate the aging of population</p> | The demographic trends are negative |
| | | The population is unevenly distributed over the territory |
| | | The unemployment trends vary according to the seasons |
| | | The average standard of life is good |
| | | The social infrastructure is only located in Cres |
| | | There are few public services available |
| | | The concentration of inhabitants and economy in the town of Cres creates imbalanced pressures on the territory |
| | | Institutions do not sufficiently take into account the disadvantages of island constraints on inhabitants' life |
| | The special island way of life does compensate for some shortcomings | |
| | <p>LOCAL GOVERNANCE</p> <p>Inhabitant participation in decision-making and actions by the civil society are not sufficient to support the local public actions</p> <p>The capacity for coordination and the culture of territorial management should be developed</p> <p>All stakeholders who could contribute to the development of the island should be mobilised in one ambitious and coherent common development project</p> | There are two units of local self-government for one island |
| | | Local authorities and civil society have limited capacity for launching new development initiatives |
| | | Efficient strategic development documents are lacking |
| | | Lack of integrated territorial management |
| | | The existing system of governance does not contribute to the elaboration of a common development vision and strategy |
| Local initiatives do not generate sufficient synergy | | |

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