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LOCAL DEVELOPMENT PILOT PROJECT in CRES ISLAND (CROATIA) PROJECT REPORT 2010 – 2015

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1. BACKGROUND

In 2008, the Ministry of Culture of the Republic of Croatia confirmed its participation into the Council of Europe Local Development Pilot Projects (LDPP) and set up an interministerial partnership bringing together national, regional and local authorities. The Island of Cres was selected as the pilot priority, and the decision was endorsed by the Council of the Town of Cres and the Town of Mali Lošinj.

The LDPP aimed at examining the long term potential of historic territories for social and economic development based on community-led and heritage-based innovative approach. When the LDPP started, the policy of the Ministry of Culture regarding the protection and preservation of cultural heritage was focusing on listing and restoring and presenting cultural goods to the public. Apart from the cultural goods of national importance, cultural heritage was not perceived as important development potential as the recourse for economical and overall development, not only for the local community and regions, but the whole country. The need was therefore to observe the protection and use of cultural heritage holistically and interactively, and not in a particular and sectoral approach.

This report aims at presenting, through a broad and general overview, the achievement of the LDPP implementation process in Croatia between 2008 and 2015. It underlines the main issues at stake and difficulties which had to be faced, making the LDPP experience quite unique for those directly involved, and clearly innovative or even provocative from an institutional point of view. The LDPP in Croatia was made to contribute to the development of the Council of Europe expertise in the field of territorial governance, and at the same time, to change the situation in Cres while inspiring the evolution of governance and practice issues at national level. Because of this ambitious aim, and the pilot approach that necessitated the formulation of hypotheses and verification through practical experimentation in the field, the LDPP required a long personal investment by those involved and constant political commitment on the part of the Ministry of Culture which placed its trust in the Council of Europe throughout the project.

Ultimately, the LDPP has clearly impacted in terms of developing new competencies, generating debates and discussions, and introducing new ideas. None of these things would have been possible without wide participation and the contribution of institutions and people who invested their time and energy, and who

believed that the LDPP process could propose new, different and positive perspectives for the island's future. All those involved in the working groups, management bodies and different project activities must be thanked for what they did. Special thanks go to the most determined project partners, who strongly supported the project from the very beginning and provided the necessary human and financial resources: the Council of Europe, the Ministry of Culture of the Republic of Croatia, the County of Primorje-Gorski Kotar and the Town of Cres. Particular acknowledgments are also expressed to all external collaborators of the Project Implementation Unit whose enthusiasm and professionalism contributed to the realization of the project results.

2. IMPLEMENTATION OF PROJECT ACTIVITIES

During the five years of the LDPP implementation in Croatia, the activities focused on five main issues:

2.1 POLITICAL BACKUP

The LDPP takes up the principles of the *Framework Convention on the value of cultural heritage for society* (Faro Convention, ratified by Croatia) and those of the *European Landscape Convention* (Florence Convention) in order to implement the political priorities of the Council of Europe: strengthening European democracy; promoting more efficient and transparent governance; implementing new integrated and sustainable development models based on the social and economic values of heritage. In this respect, it was obvious that the LDPP project has significant political connotations as well as direct possible implications on national policies. For this reason, the project had to be recognised and supported at national level from the very beginning. The LDPP for the "Island of Cres" therefore started with the consent of four ministries that signed the **Political Statement**: 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. Afterwards, the same ministries, together with the towns of Cres and Mali Lošinj, signed the **Terms of Reference** (ToR) for the whole project.

The ToR underlined the need to set up an **Interministerial Commission** (IC) as a body at government level capable of following-up the political objectives of the LDPP. According to the ToR, the IC was supposed to be in place at the very beginning of the project. The IC had to involve representatives of the ministries at political level in order to pay particular attention to the congruence between the LDPP future impacts and the national requirements, to facilitate the interaction between the local and national level and to validate the project, its results and options for changing practices at governmental level.

Concrete activities started in May 2010, as soon as the Project Implementation Unit (PIU) had been set up. Despite the efforts made by the assistant of the Minister of Culture, other ministries did not directly and practically contribute to the process as real partners. This situation limited the budget available for the project, to which the Ministry of Culture, the County of Primorje-Gorski Kotar, the Town of Cres and the Council of Europe contributed. This led to a delay in the process implementation, limited results and prevented further partners' agreement.

After the 2011 parliamentary elections, the new government and new contacts in the Ministries put a break on the process, necessitating starting the efforts from the beginning in order to build the political backup for the LDPP. The setting up of the IC was again on the priorities for 2012, but little progress was recorded.

In 2013, the Ministry of Culture developed new efforts and proposed to the associated Ministries to agree on a Memorandum of Understanding. Ultimately, it was decided to set up an informal interministerial platform in order to build confidence, share information and initiate practical cooperation. Works focused on the drafting of the **Memorandum of Understanding**, which finally resulted in the Ministries signing a **Strategic Note** and a collective **Strategic Statement** establishing their partnership. Six Ministries

agreed on the Strategic Note: Ministry of Culture, Ministry of Environment and Nature Protection, Ministry of Construction and Physical Planning, Ministry of Regional Development and EU Funds, Ministry of Tourism, and Ministry of Agriculture. This reference document expresses the common vision of the national public administration about the management of the natural and cultural heritage as the generator for local development, based on direct participation of the local community, as well as the local, regional and national institutions. The Strategic Statement expresses the willing of the ministries to jointly work on the implementation of the LDPP. The statement was signed by five ministries (Ministry of Culture, Ministry of Environment and Nature Protection, Ministry of Construction and Physical Planning, Ministry of Regional Development and EU Funds, and Ministry of Tourism).

After the Statement was signed, the Inter-ministerial Working Group focused its work on the problems related to the **institutionalisation** of the LDPP. The question was about defining how the new LDPP approach could fit in the existing legal and institutional frameworks in order to make sure that the territory development plan supposed to result from the LDPP could be sustainably implemented and how LDPP approach could eventually be replicated in other territories in Croatia. Therefore, two analysis were produced in order to obtain data which could help in finding the best institutional model: a) Study on the way in which the "French National Regional Parks" model is being institutionalised in different countries in Europe and in the rest of the World and b) Expertise on the legal framework for the operationalisation of the LDPP Island of Cres prepared by Mr Jadran Antolović. The Inter-ministerial Working Group concluded on the basis of those reports that the best option for institutionalizing the LDPP in Croatia would be to introduce a new category of protected area in the new Law on protection of cultural goods and heritage. The new protected area would be denominated as "Regional Heritage Park". The drafting process for a new law will be proposed to be drafted in 2016, in close coordination with all Ministries involved in the Inter-ministerial Working Group.

2.2 MANAGEMENT OF THE PROJECT

A series of simple but competent bodies to be set up in order to assure the management of the project were described in the above-mentioned **Terms of Reference** as well as in technical documents produced by the Council of Europe, as for example the LDPP Reference Framework or the **Methodological Guide to the Preparation of the Territorial Diagnosis**. The two most important bodies, together with the IC responsible for the implementation of the LDPP, are the Steering Committee and the Project Implementation Unit:

- **Steering Committee (SC)**, which consists of local and regional elected representatives and opposition representatives, institutions and civil organisations, as well as the representatives of the local development stakeholders. The Steering Committee is chaired by the mayor of the town of Cres, and is responsible for the local management of the project, to adopt certain project phases, guide and make decisions about financial and technical issues of the Pilot Project.
- **Project Implementation Unit (PIU)** is led by the Project Manager and prepares annual programmes of activities, including the budget and communication plan, organises working groups, draws up a one-year action plan (working programme, schedule, budget). It acts as secretariat for IC (or the Inter-ministerial Working Group) and SC, organises their sessions, reports on results and offers suggestions and recommendations.

The nomination of the Project Manager announced the beginning of field activities in 2010. In November 2011, the Towns of Cres and Mali Lošinj established the **Island Development Agency** which hires the Project Manager and one Project Assistant. In this way, the PIU obtained legal personality. Depending on the available financial resources, during the implementation of the project the PIU had one or two members. Occasionally, the PIU collaborated with external associates, experts in communication, landscape, built heritage and other fields. In 2016, the PIU will be in charge of the implementation of the Territory Charter and the institutionalization of the LDPP.

The SC was set up and involved 15 members: the mayors of Towns Cres and Mali Lošinj, 2 representatives of the Mali Lošinj Town Council, 2 representatives of the Cres Town Council, representatives of the Ministry of Culture, County of Primorje-Gorski Kotar, Conservation Department in Rijeka, Tourist Board Town of Cres, Cres Museum, Agricultural Cooperative Cres, Public Institution "Nature", Council of Youth of the Town of Cres, Association of Pensioners Cres.

The SC met seven times between 2010 and 2015. Although it was set up as a body capable of making decisions on financial and technical issues, its work was focused mainly on the validation of key project steps and adoption of reference documents. The reason was because the project had never secured a long term (annual) financial security and many of the technical issues were linked with the methodological guidance of the Council of Europe. The role of the Council of Europe in the practical management of the project was important because it coordinated the cooperation and exchange of experiences among other LDPPs carried out in South East Europe.

The role of the SC increased towards the end of the LDPP, when discussions about the future of the project were intensified and the Committee became responsible for the transition from the pilot to the implementation phase of the project.

Management key roles were assured by the national **Programme** and **Project Coordinators**, both appointed by the **Ministry of Culture**. The coordinators were the official liaison between the national LDPP partners and with the Council of Europe.

2.3 FUNDRAISING

Fundraising was another tricky issue throughout the project. Initially it was planned that all the signatories of the ToR would contribute with a small amount of funds needed to secure the minimum annual LDPP budget (estimated up to € 30 000 for an initial expected duration of 3 years). The project started only two years after the ToR was signed and most of the signatories in the meantime changed their stand. The funding became one of the main issues that prevented the national partners to participate more actively in the project and in the work of the Inter-ministerial Commission. Collaboration with the partner ministries only improved when a clear message was sent that the budget would be secured from other sources.

The total budget invested from 2010 to 2015 was finally about € 150 000, mainly secured by the Ministry of Culture (which also contributed in kind by seconding the Programme and Project Coordinators part time), the Council of Europe, the County of Primorje-Gorski Kotar and the Town of Cres (which also contributed in kind, in providing for example the PIU office space with IT connections).

The financial insecurity had a noticeable negative influence on employment policy, as well as planning and implementation of the project activities. During the project implementation period the PIU was looking for opportunities to apply for public national or EU funds, but in most of the calls the Island Development Agency was not eligible, sometimes because of its limited financial sustainability.

2.4 COMMUNICATION

One of the first actions carried out within the LDPP was the creation of the project logo, done in collaboration with pupils of the primary school in Cres. Subsequently, the PIU's limited human resources did not allow further communication activities.

In 2011, the Project Manager drew up the Project Communication Strategy which was the basis for writing the Communication Action Plans containing the timetable and actions to be carried out. The information and communication activities were divided in two main groups: internal and external.

- **Internal communication** activities aimed at improving the flow of information among the project partners and all bodies involved in the implementation of the project. The Project Coordinator and Project Manager had almost daily phone or email contacts, while the communication with the CoE Secretariat was done through annual, monthly and bi-weekly reports and the Collaborative Platform – an internet based application developed and managed by the CoE. At a certain period of the project, the bi-weekly written reports were replaced by bi-weekly phone conversations between the Project Coordinator and the Project Manager and the CoE Project Assistant. The exchange of information and experience among different LDPPs carried out in the countries in SEE took place through coordination meetings that were usually held twice a year. Communication with the project partners at national level was sometimes difficult as ministry representatives changed frequently. The situation improved in the last two years of the project.
- **External communication** activities aimed at informing the wider public and raising the awareness of stakeholders and partners about the important activities, events and results of the project. At the beginning these activities were only based on articles published on regional newspaper and occasional posts on the project webpage. In 2013, the project organised two public events: a **roundtable** “Local development policies on the basis of natural and cultural heritage” and a presentation of the **heritage survey results** in Zagreb, and a big final workshop for the diagnosis phase and the presentation of heritage survey results in Cres. In both cases the presentations of the heritage survey results were accompanied by a small **poster exhibition**.

In 2014, the project website was modified and made more easy to use, the project Facebook account was opened and the electronic monthly newsletter was launched. In the same period an external PIU associate in charge of communication was hired, with the task of implementing the Communication Action plans. The number of articles in newspaper, posts and videos on the project website and Facebook account was increased which resulted in better visibility of the project in the local community.

In December 2014, the project organised a roundtable in Zagreb “Local Development – Questions of Governance”. Another two public events were organised in Cres and Zagreb in December 2015 – the presentation of the landscape survey results in parallel with the opening of the exhibition “Landscape of the Island of Cres”.

During the project implementation period, several publications were issued by the PIU:

- LDPP island of Cres – brochure (Croatian)
- Historical landscape as a foundation for development – brochure (bilingual Croatian/English)
- Territorial Diagnosis – report (Croatian and English)
- Strategic Note Ministry of regional Development and EU Funds – leaflet (bilingual Croatian/English)
- Strategic Note Ministry of Culture – leaflet (bilingual Croatian/English)
- LDPP round tables, Local Development – Questions of Governance – leaflet (bilingual Croatian/English)
- Landscape Study of the Island of Cres – report (Croatian and English)
- Territorial Strategy – report (Croatian and English)

2.5 TECHNICAL ACTIVITIES

The LDPP process followed the technical specifications and methodological guidelines provided by the Council of Europe, which included several systematic steps:

- a. Selection of the area** carried out by the Ministry of Culture, with the support of the Council of Europe, was guided by certain criteria: inhabited area with rich, diverse, endangered heritage and with difficulties with the existing development model. Consultations identified several

potential pilot territories which could have been used as field experimentation and future replicability of the process.

- b. **Pre-diagnosis phase** – in 2008 a rapid survey of the situation on the Cres territory was carried out with the aim of identifying the strengths and weaknesses of the territory in terms of local development. The outcomes were later used as a basis for planning the diagnosis activities.
- c. **Preliminary phase** – the preliminary phase started in 2010 with the setting-up of the management bodies.
- d. **Diagnosis phase** – the Diagnosis phase consisted in activities aimed at drawing up a document establishing an overall, integrated, intersectorial assessment of the socio-economic and heritage situation that exists throughout the territory. There were four working groups, one for each of the problem areas identified in the preparatory phase of the project. These working groups discussed and developed the initial discoveries of the pre-diagnosis, in an attempt to obtain a common perception about resources and difficulties throughout the pilot territory. The groups consisted of different stakeholders from national, regional and local level, representing the public, business and civil sector. After a series of 18 workshops attended by 87 persons representing 37 stakeholders, the diagnosis was published in May 2014. The **Territorial Diagnosis** serves as a reference point for determining what future actions are to be carried out under the Project, and the strategic outlook for the development project.
- e. **Strategy phase** – the vision of the island in 2035 and the future strategic development orientations were discussed by the stakeholders (local, regional and national) through three workshops and three focus group meetings. The **“Territorial Strategy”** was adopted by the Steering Committee and printed in December 2015. The document will be adopted by the Councils of the Towns of Cres and Mali Lošinj in 2016, and afterwards it will be indirectly adopted by all stakeholders who will sign the Territory Charter. The Territorial Strategy sets out the goals for the development of the territory. It lays down the overall direction, the priorities chosen and the basic thrust in future action. The strategy phase is crucial since it provides the framework for and gives coherence to the measures and activities that will be implemented in the mid and long term.
- f. **Concluding phase** – the aim of this last phase (not yet completed) is to give practical expression to the broad outlines and intentions set out in the preceding phases, by drawing up an operational and organisational programme for a minimum period of two years. The **“Operational Programme”** will not be a static document and will evolve and be amended and renegotiated throughout its implementation. It will set out the main lines for intervention and the means of implementing the strategy adopted, which is translated into specific measures and precise activities. The Operational Programme was drafted at the end of 2015 and has to be adopted by the relevant project bodies in early 2016. Together with the Territorial Diagnosis and the Territorial Strategy, the Operational Programme will be the integral part of the **“Territory Charter”**. Its text has also been drafted and will be verified by the Steering Committee and the Inter-ministerial Working Group in February 2016.

3. OBSTACLES

During the five year long process, several problems have been identified and most of them are mainly related to the **pilot** (experimental) aspect of the project. The LDPP started from the assumption that the partner ministries would take full ownership of the project and would take care of the management and funding of the project. Although the ministries formally supported the project, they were not practically involved in its implementation. Therefore, the Project Implementation Unit had to rely mostly on the support of the Secretariat of the Council of Europe and the Ministry of Culture.

Considering the fairly long implementation period, the Pilot project team made great efforts to ensure the political continuity since the relations with most of the partner ministries had to be built again from the beginning.

The funding of the project staff and activities also had a significant influence on the project implementation. Most of the time the budget uncertainty was very high, since the funds were very often secured only for a time period of several months and only for project manager. Under such circumstances it was very difficult to properly plan the project activities, which, combined with limited human resources, resulted in the prolongation of the project implementation period. Another complication that appeared towards the end of the project was the long term sustainability of the implementation body, once the **Territory Charter** will be signed and the implementation of it will start. The problem is that the Charter is not a binding document and the process has not been institutionalised yet, so the decision of the stakeholders whether to provide financial support to the initiative or not is purely discretionary. Another problem which can be considered as a direct consequence of the complexity of the process was the difficulty in retaining keen interest and continuity in the efforts of the different actors in the long term.

4. OUTCOMES

The LDPP project lasted for more than five years, during which different kinds of activities were interchanged and implemented with varying degrees of intensity. It has to be borne in mind that the project was a **pilot** and therefore many new initiatives were tried and possible solutions for the encountered obstacles were tested without any major results. Despite all the difficulties encountered, the LDPP was all in all very **successful** and has brought many conceptual and practical innovation in the field of heritage led development, both at national and local level. Below is the list of the most important outcomes.

- National institutions / ministries have recognised the usefulness of the LDPP in the process of promotion and protection of the heritage through the implementation of the Faro and Florence Conventions.
- Regional / local authorities and other stakeholders have recognised the value of the LDPP approach and are ready for further collaboration.
- All stakeholders who took part in the process appreciate the participatory approach and inter-sectoral collaboration.
- A comprehensive analysis of the territory was done and later used for the drawing up of the long term strategy of sustainable and integrated local development.
- The stakeholders involved in the project, but also the wider public, acquired a new perspective on the value of heritage, the related problems and the possible innovative solutions.
- Five ministries signed the Strategic statement and are inclined to sign the Territory Charter.
- Experts from different ministries are familiar with the topic and willing to collaborate in order to finalize the process of institutionalization of the LDPP approach.
- The LDPP approach provides a new opportunity for rehabilitation (development) of geographical, cultural and historical regions (areas) that are today split among different administrative units.

The main legacy of the LDPP at the local level is, on one hand, the increased interest of the stakeholders to participate in the governance of the whole island of Cres, and on the other hand, a set of reference documents containing the common view of the territory and the directions of its future development. It means that the LDPP has laid sound foundations for a new phase of a long term process of enhancing community participation in territory development, based on preservation and valorisation of local resources. The withdrawal of the Council of Europe from the process has not interrupted it, since all project management bodies are still in place and the key project partners will continue to provide full support to the project (including financial) in 2016. The most important results expected in the

forthcoming period are the adoption and signature of the Territory Charter by the main stakeholders and the institutionalisation of the LDPP approach at national level.

5. CONCLUSIONS

The LDPP's participatory and heritage led approach to local development was welcomed by the Ministry of Culture and well accepted by the local and regional stakeholders. Due to the limited capacity of the Project Implementation Unit and difficulties in establishing the national project management body (Inter-ministerial Commission) the implementation of the project was extended to almost six years which did not help to keep the momentum of the project and the enthusiasm of the stakeholder always at the same level. The involvement of the Ministry of Culture and the support of the Council of Europe were crucial and indispensable for the successful implementation of the project.

Although the LDPP will ultimately achieve the objective of drawing up the Territory Development Strategy and gathering the stakeholders around the Territory Charter, the long term viability of the initiative has not yet been achieved. The uncertainty about the implementation of the Charter has been fuelled by the low financial capacity of the regional and municipal authorities, as well as by the insufficient support received from the national level (the position of the new government which has still to be formed is not known yet).

The institutionalisation process and the continuation of the active involvement of the Ministry of Culture and its partners will be very important for the future of the initiative and its possible replication in other territories.