

## Financing Cultural / Natural Heritage and Sustainable Development



International Conference  
May 28–31, 1996

International Center of Croatian Universities  
Dubrovnik, Croatia

September 30, 1996

# **Financing Cultural/Natural Heritage and Sustainable Development**

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Jonathan Calame, Rapporteur  
World Monuments Fund

September 30, 1996

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"I am still surprised at how many in the conservation movement fear tourism, rather than recognizing it as a very real ally in finding the financial justification for protecting the cultural heritage. I think we have to tell all those people, 'Friends, the stakes are too high. Let us come together, let us celebrate our strength, and recognize our shortcomings, let us look for the common ground on which we can build and let us proceed from there and not argue about the peripheral issues.' "

--Ismail Serageldin  
The World Bank

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*cover:* photo of "Vis" Franciscan Monastery, dating from the 16th century, on the island of Vis, Croatia

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**FINANCING CULTURAL/NATURAL HERITAGE  
AND SUSTAINABLE DEVELOPMENT  
INTERNATIONAL CONFERENCE**

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Prague, Czech Republic

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## FOREWORD AND ACKNOWLEDGMENTS

Croatia is a newly independent country making a somewhat delayed transition from a planned to a market economy, due to the severe interruption and devastation caused by the 1991–95 war. Aiding this transition process is of great interest to multilateral development institutions like the World Bank, the IFC and the European Bank, who see Croatia as an emerging economy with potential for high economic growth. A large part of this growth is expected to be fueled by tourism development.

However the tourism sector is also of special interest to speculative developers who want to exploit inefficiencies in the institutional structure, an ambiguous legal framework, and lack of investment capital and see it as a place for short-term profits.

On the other hand, there are also architectural and environmental conservationists who see Croatia's Adriatic coast as a very unique part of the Mediterranean, with unpolluted seas, well-preserved historic towns, a coast line with minimal impact of modern speculative development, and low projected population growth.

In this climate of great opportunity and uncertainty, the Save Dalmatia Foundation conceptualized and organized a conference on "Financing of Cultural/Natural Heritage and Sustainable Development". This first conference of its kind succeeded in bringing together a balanced group of concerned citizens, environmentalists and preservationists to share their concerns with economists and international experts in banking and develop strategies for sustainable development in Dubrovnik-Neretva County.

The purpose of this conference was also to expose current Croatian development issues and conservation challenges to representatives of a powerful and influential group of multilateral institutions such as the World Bank, the IFC, and the European Bank for Reconstruction and Development, as well as to private foundations like the World Monuments Fund, Earthkind, Earthwatch, and Counterpart. These international groups also had a chance to interact with the leading Croatian authorities in planning, preservation, economy, and banking. This was the realization of a long-awaited goal to bring politicians, environmentalists, and preservationists together with members of leading institutions.

Less than three months after the conference, the concept of sustainable tourism development on the islands of Dubrovnik-Neretva County received a great boost through the visit of the Prince of Wales to the island of Mljet, its monastery, and its national park. During this visit, many senior members of the Croatian government, including the Prime Minister, honored us with their presence [see Appendix X].

The next steps to further promote sustainable development include an action planning weekend, establishment of an island development trust with participation of foreign foundations, and more intense involvement of local and national experts in producing a feasibility study for the development of Dubrovnik-Neretva County, with its cultural and



natural heritage embraced as an integral component. This would hopefully serve as one of the key documents for future investors in tourism which, according to Mr. Ismail Serageldin of the World Bank, “remains one of the most potent economic engines for the financing of culturally significant heritage.”

I am highly grateful to all the individuals who have helped and to all the sponsors—particularly the World Bank’s Small Grants Program, the World Monuments Fund, the Samuel H. Kress Foundation, and the Croatian Ministries, institutions, and officials who made this event possible. Also special thanks to the International Center for Croatian Universities which hosted the conference, to the governor of Dubrovnik-Neretva County for his moral support, and to the City and Lord Mayor of Dubrovnik for their warm welcome.

Following the conference Jon Calame from the World Monuments Fund did a great job in transcribing, editing, and assembling this report.

Sylvia Gottwald-Thapar  
Director  
Save Dalmatia Foundation

*Prague, August 1996*

## EXECUTIVE SUMMARY

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Participants belonging to the allied disciplines of preservation, wildlife conservation, banking, investment, engineering, and public service agreed that the **goals** for post-war economic revitalization along Croatia's Adriatic coastline include:

- environmentally sensitive, economically sustainable tourism
- successful transition from centralized to private, free-market economics nationwide
- structured growth resulting in a favorable return on investment within the cultural tourism sector
- inclusion of education and training to strengthen local self-sufficiency

Various speakers offered working **definitions** of key terms which guided further discussion. These included:

### *"sustainable"*

Understood by Mr. John Stubbs to mean "projects that reflect an understanding of the resource, along with its past, present, and future potentials"; Mr. Niko Bulic noted that approaches to development which "do not compromise future generations and involve no degradation of primary resources" are currently the only ethical choice. Ms. Joan Martin-Brown carried this idea further by reiterating the definition forged by the Earth Council conference, which condoned "only economic growth that does not bankrupt social capital or ecological capital and does not create or imply new economic debts." Mr. Vikas Thapar noted that banks promote sustainable development when they catalyze only those processes which occur naturally within the free market, though perhaps in a slower or less predictable way.

*“cultural heritage”*

Defined by Mr. Ismail Serageldin as "all that has been produced by our people and by other people that lives with me and within me." Other speakers emphasized the need to recognize cultural landscapes--where natural and man-made elements intermingle and are functionally or aesthetically linked--in the broad interpretation of this concept.

*“revitalization”*

Mr. Serageldin also drew attention to the fact that renewal of historic cultural and natural landscapes must be inclusive, benefiting everyone rooted in a particular place--both the poor and the affluent. Reconstruction must be practical, not just pretty, and must be approached with a deep understanding of "the most complex manifestations of a cultural character."

Guiding **principles** for the ongoing work of revitalization were discussed throughout the presentations, and consensus was reached on the following:

- *Integrated development* implies that natural and man-made resources are to be understood in unison, requires that gains do not generate new losses, encourages allied professional disciplines to combine insights, and focuses energy on public-private partnerships;
- *Broad, comprehensive analysis* of a problem leads to the best solution;
- *Local resources must be better utilized* and enhanced in the development process;
- Economic development should be linked to *social concerns*;
- Economic development should be linked with *traditional strengths, practices, and solutions*;
- Economic development should be linked with *environmental responsibility*.

Many speakers were able to identify **bottlenecks** to successful sustainable development which can be anticipated in Croatia or that have already been encountered; these include:

- *ownership* -- ambiguities in the process of privatization discourage investment and slow the dissolution of unwieldy monopolies;
- *neglect* -- takes many forms; governments often cannot afford to maintain important sites, or do not see their value, or fail to generate sufficient protective legislation;
- *infrastructure* -- the first stumbling block for development, when inadequate roads, water supply, sewage systems and solid waste disposal make investment untenable under otherwise favorable conditions;
- *return of mass tourism* -- not considered a blessing by any of the participants, but a major part of Croatia's pre-war economic legacy;
- *insufficient levels of private savings* -- these have been largely exhausted or lost in the course of the recent war, leaving individuals without reserves and leaving banks without a foundation for issuing credit.

The stated mission of the conference was to identify financial tools for sustainable development, and several **primary mechanisms** were referenced in the remarks of numerous participants:

- *innovative financing* -- orchestrated by allied banks ranging from the international (World Bank lines of credit) to the local savings institution; specific recommendations were offered by Ms. Martin-Brown and Mr. Serageldin;
- *standard lending criteria* -- can help to shape desirable private development projects by imposing uniform standards for sustainability, environmental impact, and accountability;

- *legislative restraint* -- laws to guide development including zoning ordinances, impact statements, natural area conservation or reservation, tax credits, etc.;
- *equal access to capital* -- so that the decision-making process is broadened and diversified.

Ms. Zrinka Rudez reminded the group that hasty, poorly-structured post-war development can lead to a form of **secondary disaster** through unchecked exploitation of non-renewable resources. Ms. Seadeta Midzic pointed to the subtlety and nobility of man's imprint on the physical landscape as found along the Adriatic coast of Croatia--a complex whole temporarily entrusted to our collective care. Mr. Serageldin pointed to the success of a project in Tunisia where planners faced similar challenges, offering assurance that good investments can be constructed even under difficult conditions without neglecting the need for sustainable, sensitive growth. Mr. Stubbs described the ways in which foreign organizations can be called upon to assist in the process of recovery.

## PRESENTATIONS

Mr. John **Stubbs** (for Bonnie Burnham)  
World Monuments Fund

"Cultural Heritage Conservation: Case Studies From WMF"

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The World Monuments Fund's interest in the cultural heritage of the region is long-standing. The organization has been involved with Croatian projects in varying capacities while carefully monitoring the progress of the recent war. For the first three years, all that seemed possible was information dissemination, discussion, and correspondence related to post-conflict recovery in the former Yugoslavia.

When it was safe to visit, a survey was made with Sylvia Gottwald-Thapar in an effort to identify projects which would be useful and appropriate.

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"I was shocked and saddened by what I saw, and confused as to where one might start...there is a need not so much to deal with individual buildings and artifacts, but to deal with the problem much more systematically from a social, cultural, and economic point of view."

-- John Stubbs

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It became clear that one way of jump-starting local economies on the Adriatic coast would be to reactivate tourism using the islands and the existing built patrimony there in the form of the monasteries. This approach would take advantage of an existing, trained work force

and the natural allure of the landscape. Geopolitical changes unfolding in the last five years have improved access and interest in Croatia, pointing to a favorable long-term outlook for a sensitive, revitalized tourist trade. The result would be earned revenue made available for social rebuilding, infrastructure, and further investment in other self-sustaining, revenue-generating activities.

The World Monument Fund's ongoing experience in foreign countries facing restoration challenges with limited resources points to some lessons which may be relevant to Croatia.

The project to conserve the temple in the mudéjar cloister at the Monastery of Guadalupe, Spain demonstrates the capacity for lead investments to attract additional funding; the \$1 million grant provided by the World Monuments Fund here eventually leveraged \$3–4 million from local sources who became interested in the work. There is often a need to simply begin, prior to securing all the money necessary to complete a project. Activity and progress spurs unexpected partnerships. The temple has become an important and profitable stop on Spain's itinerary of popular tourist destinations.

The World Monuments Fund has been active in Moravia, part of the Czech Republic, where initial efforts to rescue the Lednice and Valtice castles from routine neglect led to a much wider project encompassing hundreds of square kilometers of gardens and cultural landscape joining the two sites. Thinking of solutions which extended beyond the primary structures generated new avenues for funding and interpretation: dance and music performances brought the site to life, and local participation encouraged local investors to join the effort.

Critical to the continuing success of the effort at Lednice/Valtice are:

- adherence to the team approach
- a policy of matching foreign experts with local professional counterparts
- inclusion of education and training as part of the program
- moving forward with a comprehensive, multi-prong action plan

Good results have been obtained through broad-based regional and thematic surveys which go beyond just inventory, assessment, and stabilization to touch upon the life of the place.

Experience with Poland's Tempel Synagogue in Cracow over the last four years provides another example of how to address a site with an uncertain future, since the synagogue's surviving congregation is small and elderly and substantial funding was required at the outset just to seal the building. The first step was taken without assurances for the rest: support was given for the repair of the badly degraded roof.

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"...not before the building's roof was completed did many people from the community come to light, look at what we were doing, and the city got more interested than ever, asking, 'How can we participate?' By the time it was finished, we had put together a whole deal involving both the short and long-term future of the Tempel Synagogue."

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As much as possible, the work is being carried out by national experts utilizing their intimate understanding of the building and its context. This type of synergy is the result of team work and occurs against the background of a carefully engineered plan of action for the site.

At the City of Angkor, the famous temple complex in Cambodia, cultural tourism offers the only hope for generating the hard currency needed to sustain such a large, complex site. The World Monuments Fund became involved in a slow, judicious fashion by endeavoring to stabilize one large representative temple--Preah Khan--as a partial ruin rather than reconstructing it. Along the way, the jungle context has been preserved, local architects have been trained (most Cambodian professionals and academics were killed by the Khmer Rouge regime), and hundreds of foreign visitors have been introduced to the splendors of the site.

The World Monuments Fund has seen the benefits of remaining flexible and broad-minded in its approach to providing assistance in Cambodia. It's main accomplishments to date



have centered around the conservation and presentation of Preah Khan, a program which stresses education and proper conservation practice. Recent achievements also include the use of advanced ground-penetrating radar images, generated by NASA's Space Shuttle expedition of 1995 on behalf of the World Monuments Fund, which have given archaeologists new insights into the treasures of Angkor, reports on the conservation work to provide documentation to the scholarly community, and on-site concessions to generate income and structure the visitor experience. Fund-raising has continued successfully for the ten-year conservation program for Preah Khan.

Finally, the World Monuments Watch—a new program launched by the World Monuments Fund in 1995—announced the first annual list of the 100 most endangered man-made sites in the world. This has been made possible by the founding sponsor, American Express Company, through a grant of \$5 million over five years. Sites are nominated by local authorities and selected by an independent panel according to significance, urgency, and project viability; several were listed from this region: Dubrovnik's Old City harbor, the historic center of Split, Pocitelj in Bosnia-Herzegovina, Subotica Synagogue in Yugoslavia, and the Lopud Monastery in Croatia. The long-term aim of this effort is to direct attention to neglected sites, generate interest, and identify patterns of degradation affecting whole regions or categories of buildings.

These examples and others point to a key component of successful and sustainable cultural tourism: assisting agencies must understand the resource, along with its many past, present, and future potentials. With that understanding, and often without all required funding in place, they must choose and commit to the most promising and worthy sites.

**Mr. Jan Hartke**  
EarthKind International

"Sustainable Tourism and Development: the Next Revolution"

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Developing successful and environmentally sustainable projects has to be grounded in a deep, personal commitment and the sense that the results have a meaning. There are links between ecological and cultural concerns which are physical, direct, and difficult to ignore. To recognize them and work towards jointly beneficial solutions to growth, reconstruction, or privatization requires strong interpersonal connections and shared values.

The environmental revolution follows in the wake of the agricultural and industrial revolutions, each transforming the way people lived and what they aspired to accomplish. Today human aspirations have pushing many other species up to, and often beyond, the point of extinction. Now is the time, and in forums like this one examining possible futures for the Dalmatian coastline, to forge lasting relations with natural allies to reverse the negative trend.

Ms. Seadeta **Midzic**

Deputy Minister of Culture, Croatia

"Management of Cultural Heritage"

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In times of crisis and renewal, foresight is as essential as a firm sense of history. There is a challenge in confronting the many layers of the past, making their message vivid, and carrying them forward into a vital future. Professionals in the field of cultural heritage and reconstruction acknowledge the complexity of the intersection of geophysical and socio-cultural currents and they confront the question 'What does history do to geography?'

In Alice in Wonderland, Lewis Carroll notes that "Weak is the memory that only works backward," and we acknowledge that Dubrovnik is a possible image and guide for 'forward memory,' as catastrophe alters our perception of space and emphasizes its fateful significance as an infinite series of returning projections. In this harmonious city, where effective laws related to the 'geometry of certainty' were always established and respected—both in terms of urban organization and in a spiritual sense—it is believed that the future is built in as a mortgage and living nucleus for survival.

Culture is one of the assets which is crucial to a successful economy and for survival in general; in this respect, one may force a comparison between culture and the environment which has come to represent one of the most important issues in the world today. All noble eras infuse the physical environment with certain elements of a 'clairvoyance,' and a gravity of meaning which is greater than the sum of its elements. Dubrovnik and its surroundings are possibly the supreme examples of this human phenomenon. In these places, and through the moments that produce and sustain them, culture and survival are linked. One becomes the perfected expression of the other.

In light of this, sustainable development in response to dire economic and social needs in Croatia is a precondition for survival in general. To weather the earthquakes of Nature and the earthquakes of man which have frequently plagued it, Dubrovnik has drawn widely from internal and external resources. I believe and hope that here and now we represent a positive direction of history, and confirm by our presence that the human spirit strives with the gravitation of place to ennoble and direct it during times of difficulty.

**Ms. Radica Tonko**

Director of the State Agency for Physical Planning

**"Integrating Heritage into the Planning Process"**

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There is a long-term plan for the conservation of cultural heritage and spatial planning in Croatia, unveiled in May 1994. Economizing in a transitional period requires tight national planning, with an aim to:

- preserve the peculiarities of historic places
- enhance the qualities of the built patrimony
- identify conditions for new economic activities

The plan is based on the principles of sustainable and balanced development, complementary to those adopted by the European Union. On the local level in Croatia, there is a concerted effort to restrain unstructured growth through a network of coordinated environmental planning agencies which will make their plans sensitive to issues of heritage through local discourse.

One half of the national population resides in cities, the other half persists in rural villages which are rapidly deteriorating for lack of a stable economic base and adequately maintained physical infrastructure. There is a need to retain these small traditional settlements and find new ways to balance the needs of the landscape with those of its inhabitants.

**Ana Ivkovic** (for Ferdinand Meder)

Senior Advisor for the State Agency for Protection of Cultural and Natural Heritage

## "Protection, Conservation, and Adaptive Re-Use of Historic Monuments"

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Two hundred national experts are currently assigned to the problem of protecting historic monuments, and it is recognized that new strategic directions are necessary to confront the general degradation facing the country after war. For instance, from August of 1991 to August of 1992, 859 individual buildings and monuments were damaged as a result of military aggression, and vastly insufficient funding is currently available for their repair.

Other concerns besides finances constrain the reconstruction effort; excessive and short-sighted industrialization in the pre-war period brought substantial, lingering environmental problems, while problems of state ownership and the vague responsibilities which attend it make the privatization process cumbersome. The questions of ownership are considered critical; they touch upon accountability, regulation, rights, and taxes.

A new law regarding protection of cultural properties was passed in 1993 which outlines the preconditions for a model national revitalization program, including systematic steps towards reparations, reducing neglect, and encouraging sympathetic forms of real estate development. New standards for inventory and evaluation have been incorporated into a unified information and documentation system for historic buildings; progressive techniques and materials will be investigated for their conservation. A secondary objective of these advances is to raise the public awareness of Croatia's cultural inheritance into order to promote a general inclination to protect it.

**Ratimir Zimmerman**

Advisor, Ministry of Physical Planning, Building, and Housing

"National Physical Planning Strategy for Adriatic Islands' Development"

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A new set of recommendations have been submitted to the Croatian Parliament regarding long-range sustainable physical planning for the more than seven hundred Adriatic Islands which once lured millions of summer tourists to the country. The Dalmatian coast contains two-thirds of the cultural and natural resources of the nation which attract foreign visitors.

Such large numbers of foreign visitors, despite generating revenue, created many problems for island and coastal communities in the course of their journeys. An analysis of tourist capacities prior to 1990 reveals an over-saturation of local facilities and increasingly inadequate infrastructure. Water, sewage, solid waste disposal, and transportation systems were routinely pressed to their limits during this period (1960–1990), while the governments investments in their improvement proved insufficient.

The proposed plan recommends a program of construction which would provide small airports, harbors, and new roads to island communities. It is clear that all other forms of development and investment rely on a reliable and well-designed system of national physical infrastructure. The special needs and complexities of upgrading the islands will be examined in a special study of the coastal region which is currently underway. Priority areas will be identified and zoned as 'urban,' and 'natural' with an eye to strengthening autonomy and improving access to the islands.

The plan also addresses cultural heritage conservation by distinguishing two categories: heritage that has to be fully preserved across the archipelago in order to form a representative chain of objects aimed for visitors and educational purposes (see Starc, Nenad. "National Strategy for Adriatic Islands Development: Conservation Aspects." Institute of Economics, Zagreb, Croatia) and heritage that has to be brought back to previous or new sustainable uses. The first group are considered the financial responsibility of the government, while the second group are viewed as investment projects.

"Preserving Biodiversity During Development of a Nondestructive Tourism"

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A critical concern during this post-war development phase is continuing protection of marine biodiversity and preservation of currently high levels of water purity along the Dalmatian coast. The creation of a sustainable Croatian coastal zone would provide an oasis for sea life and retain a resource which is universally attractive to visitors.

Existing protection is not adequate; a three year study has targeted six localities and generated many recommendations for improved area management. The proper protocol for systematic protection includes a thorough inventory of species, conditions, and environmental pressures, the collection of monitoring data to track change, and ongoing research into the dynamics of underwater communities.

The aim of this management strategy is to exert a positive influence on island development by guiding nondestructive forms of tourism, creating jobs in research and monitoring, protecting the revenues derived from fishing and tourism, and spreading knowledge about the environment, its value, and its fragility.

**Ms. Pave Ruskovic**  
ATLAS

"Overview Of ATLAS: Activities During and After the War"

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ATLAS--the leading travel agency in Croatia--was threatened with extinction at the outset of Serbian hostility, since tourist revenue evaporated almost overnight. The company survived, however, and invested in the future of the industry in the form of eco-tourism. Money was raised to rebuild historic structures like the main street of Dubrovnik and the Rector's Palace. Handicrafts in the Konavle valley region outside of Dubrovnik were rejuvenated, along with local dance companies. A partnership was formed with the American Society of Travel Agents to found the Rebuild Dubrovnik Fund, a nonprofit organization dedicated to international fund-raising on behalf of war-damaged monuments.

As prospects for tourism begin to improve, ATLAS is prepared to engage in scaled down, ecologically sensitive forms of hospitality which conform to the principles of sustainable development.



Mr. Niko **Bulic**  
Minister of Tourism

"Croatia: Future Prospects for Sustainable Tourism"

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The forefathers of Dubrovnik followed a firm policy of sustainable development without the self-awareness which is requisite today; they protected the community, their investment, and the natural environment because the interdependent nature of their success or failure was always evident. We build our future on what they worked hard to defend, and our obligation is the same: to carry forward an expanding array of resources to the next generation.

Meanwhile, the need for new sources of national revenue is high in light of the war. Tourism is the obvious choice for immediate investment and relatively brisk returns, but foreign visitors demand, by definition, unsullied seas, soils, forests, and monuments. Sustainable development is a necessity, which precludes all forms of rampant mass tourism which characterized much of the trade in Croatia leading up to the 1991 hostilities. Still, pure ecotourism can account for only 3–7% of the total viable tourist market, leaving the middle zone where much of the real investment must be made somewhat undefined.

To achieve better definition, it is important to identify local needs and capacities; strengthen protective laws for natural and cultural sites in advance of demand and development pressure; these cultural resources constitute a legitimate category of economic assets with a value which can be calculated in real terms. Under the proper conditions, using these most cherished sites is equivalent to saving them.

**Mr. Ismail Serageldin**

Vice President, Environmentally Sustainable Development, The World Bank

"Financing Cultural Heritage and Sustainable Development"

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The starting point for a discussion of financing cultural heritage as a component of sustainable development is a broad view of the role of culture in development.

What is cultural heritage? One answer is that our heritage is "all that has been produced by our people and by other people, that lives with me and within me." This is an open interpretation, one that reaches out to the collective heritage of humanity, not just the specificity of the narrow, localized cultural manifestations. Yet, it also remains profoundly individual, because it allows the recognition that identity is an inside out process, from the recognition of the self to identification with the other.

The manifestations of the physical legacy of such a perception of culture includes more than the built environment. It must include not just architectural monuments, but also the everyday objects which have traveled through time to meet us now. As we come to the issue of the historic cores of living cities, we must recognize that the transformation of the urban tissue, inherent in any living organism, must also conserve the essence of the legacy of the past. This is a difficult issue. Paraphrasing of history and the "reading" of cultures is naturally fraught with danger. Broad, complex, and open-ended interpretations must be sought prior to determining what is to be 'revitalized.' Cities in particular are diverse, sometimes contradictory reflections of a society and its traditions; their characters are layered, and must be understood in greater depth than small settlements.

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"Stereotypical, exterior looks at a culture can be misleading. When we talk about the renovation of the vitality of historic cities we have to try to go beyond them...one cannot reduce a culture to a single veneer from the outside."

-- Ismail Serageldin

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More than the techniques and philosophies applied to the process of physical reconstruction, the correct understanding of the place and its cultural context are critical ingredients for successful revitalization and development in the realm of cultural heritage. Reduction of meanings into simple short “bytes” and the elimination of apparent complexities does great harm to the representation of a culture.

But we must not overdo the complexities of conservation of cultural heritage in the living urban tissue. It is largely a matter of process, of empowering the communities concerned to cope better with their environment and to provide financial and technical support to the conservation effort.

The problems and pressures facing historic cities are generally the same that face all urban centers, namely:

- rapid population growth in the next decades
- lack of services for the poorest
- neglected historic cores, often lacking basic services, become a receptacle for the poverty-stricken
- insufficient political will to confront the problems
- illegal construction
- widening gaps between classes

So, a large part of the problems of historic cities are shared with many developing countries' cities. The difference lies in the restrictions that govern the historic restoration and conservation components.

With respect to the historic centers, it may be necessary to ask, "Why preserve? Just because we like the old buildings?" "What should be preserved? Individual structures or an overall urban atmosphere?" "How to preserve? Visibly, invisibly, from the ground-up?" Two main results of protection of the historic urban core can be envisioned: conversion into an open-air museum city for the benefit of tourists, or the adaptation of old structures to new and viable uses in a living, inhabited city. I believe in the latter: a holistic process, an overall approach that involves transferring the economic base, engaging

the middle class, and upgrading the environment while attacking the root causes of degradation.

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"There has to be an overall approach; the piecemeal approach has not worked well. A single effort at restoring a particular monument will get swamped by the same factors that brought about its degradation in the first place."

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One of the most daunting burdens is the need for profitable investments, equitable development, and upgraded infrastructure to support the revitalization of the historic cores. Typically, chaotic traffic, unsanitary living conditions, polluted water, and irregular electrical supply characterize historic urban centers which have not benefitted from a coordinated municipal preservation plan. Keys for effective actions in these areas include transformation of the social fabric (through education, training, etc.), rejuvenation of the local economic base, dedication to area conservation (not just individual monuments), insertion of sensitive new architecture, and the ongoing involvement of the local community. The community must always have a stake in the responsibilities and benefits of the revitalization effort.

The involvement of the local community is very important. It is almost impossible to overcome the negative spiral of many developing country cities without it. These cities face many social challenges. Population growth, influx of rural migrants, and an evolving economic base all challenge the ability of the cities to provide jobs and livelihoods. Crumbling infrastructure, poor and over stretched social services, rampant real estate speculation, and weak government all contribute to putting tremendous pressure on the central cities, often *loci* of invaluable architectural and urbanistic heritage. The animosities between groups rise and tensions within the cities fray the social fabric as much as economic speculation transforms the urban tissue. The inner historic cities are increasingly

ghettoized, with the middle-class and economic activities either fleeing the historic core or actively destroying its very fabric.

The negative spiral of physical and spiritual degradation in the historic inner cities must be reversed. The older fabric must be integrated into the larger urban grid and the policy framework must resist ghettoization, while it avoids excessive gentrification. Financial tools are important to this process, including microfinance, which provides access to capital for the dis-advantaged members of the community.

Hafsia, in the old Medina of Tunis, represents an exemplary success in revitalizing the economic base and diversifying the social mix of the inhabitants of the old medina. It is a financial, economic, and institutional success. Cross-subsidies have made the project financially viable as a whole. The rates of return on investment have been high. The reduction of densities in the old *wekalas* has been successfully accompanied by a sensitive resettlement scheme, and the removal of the rent-control law has effectively lifted the obstacle to commercially financed rehabilitation of non-owner occupied rental units. All of this has been accompanied by a sensitive treatment of the urban texture, and an integration of the old city with its surrounding metropolis. This project in Tunis yielded a positive financial workout. This should make this type of investment increasingly attractive to governments and investors with the patience and interest to help revitalize declining historic urban cores. While the upgrading component was undertaken at a loss, the rehabilitation of historic properties and the subsequent increase in real estate values generated a net profit for the project, as seen in the chart attached as Appendix I.

Not all revitalization projects generate positive results. Some will require subsidies. Most, however, require sound, hard-nosed financial planning and organization, tempered with a concern for aesthetics and cultural character.

The message boils down to some broad suggestions which can foster revitalization of historic inner city areas:

- endorse national and global policy which enables the private sector to maintain sites and offer incentives for responsible investment
- explore creative financing tools
- revamp regulatory legislation and provide for its enforcement

- launch conservation programs with the full involvement of the local community
- pay attention to water, sanitation, and transport in historic areas
- solve housing and social problems in conjunction with rehabilitation, paying careful attention to social issues

All of this must be done in a rigorous fashion. The economics of cultural property must be carefully calculated, and a vocabulary in which to discuss these topics with different groups must be devised.

Regarding the role of the World Bank in revitalization efforts in Croatia, it is necessary to remember that the Bank acts as a financier by providing loans to governments; it is the governments themselves that have to be convinced that the economics of investment in the cultural heritage are worthwhile and that the finances work well.

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"All of us cared when we heard that Dubrovnik was being attacked; why? Because there is something unique and special about Dubrovnik, it's not just another settlement...we need to find tools to try to capture that."

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It is important for those in the field of preservation and development to seek a common ground and combine strengths; to argue about peripheral issues is to sacrifice energy and solidarity while other causes demand attention. Tourism remains the most potent economic engine for the financing of culturally significant heritage.

Mr. Marko **Skreb**  
Governor, National Bank of Croatia

## "Financing Mechanisms for Cultural Heritage"

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Sustainable development only occurs within a stable macroeconomic framework, and without such stability there is no efficient financial intermediation. The availability of resources for cultural heritage depends on intermediation, since it provides for the short- and medium-term loans which conservation projects require. In this sense, smaller commercial banks are the most important link in Croatia to the revitalization of historic places like Dubrovnik.

For now, vested private savings in Croatia are too low to lay a groundwork for significant credit lines; there will be no significant growth without substantial external financing.

Mr. Marc **Mogull**

Director for Property and Tourism, EBRD, London

## "Role of EBRD in Development of Tourism"

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The EBRD was founded five years ago in order to assist with the transition from a centrally planned to a market economy and to stimulate growth in countries undergoing this transition through targeted short and medium-term project financing. The bank helps private investors overcome bottlenecks and learn how to use the tools of the free market to achieve their goals.

To date, the EBRD has issued loans in Croatia to support the manufacture of private aircraft, aid the privatization of Pliva Pharmaceutical Corporation, and employ highly structured debt instruments at the national level in conjunction with the Zagreb Bank. Two special criteria apply to all commitments made by the EBRD: projects must be 'additional', and they must be related to the transition to a free market economy.

Tourism is the world's largest industry, and one of the fastest growing. The biggest stumbling block for the development of tourism in Croatia, as with many developing countries, is inadequate physical infrastructure. While financing instruments can be designed and introduced with relative ease, there is no quick or inexpensive way towards improving the quality of water, sewage, roads, etc. Almost every important aspect of the tourist trade demands high standards in this domain, and many of the island sites being investigated during this conference suffer from serious gaps in service and accessibility. Various development projects are being held back by low-grade infrastructure in target areas; overtaxed waste and sewage systems in municipalities along the Adriatic coast provide one important example.

Tourism also relies heavily on a properly functioning financial sector. In Croatia, banking practice lagged behind the global standard during the old regime. Still, private banks play an essential role in the larger development of the market economy; they fulfill the crucial task of collecting savings, and, through their intermediary role, allocate these funds to productive investments.



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"Tourism investment has traditionally been financed domestically. Without a financially sound banking system, that intermediary function is not assured and productive enterprises, particularly domestic enterprises, will suffer."

-- Marc Mogull

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Each of the countries in Central Europe has far to go before it can rely on a well-functioning banking sector able to provide long-term financing at reasonable rates. Monopolies need to be broken in order to encourage investors to purchase individual segments of an industry; the Croatian Bank for Reconstruction and Development needs to take a more active role in small-scale lending.

The EBRD looks for five key elements when assessing potential development projects in this region: the infrastructure must be in place to support the construction and operation of the project; financially strong sponsors must be involved, with experience developing similar projects in Croatia; sponsors must be willing and able to make sizable equity commitments to the project; the project must be commercially viable; lastly, the EBRD's Environmental Appraisal Unit must consider and approve the environmental impact of the project, recognizing the necessity for all tourism development to be based on sustainable criteria.

This is the time to reorient and invigorate the tourism sector in Croatia. It should be remembered that the industry was already in a steady decline at the outbreak of the war in 1991; the Adriatic coastline was attracting falling numbers of international visitors, the infrastructure had become generally over-stretched, service levels declined, and tourist arrivals dropped 16% overall from 1985–1990. In this sense, the disruption of war masks other, more deeply rooted problems within the industry. Now Croatia is in a position to demonstrate to the rest of the region how powerful a role the private sector can play in the development of higher quality, sustainable tourism products.

Mr. Vikas **Thapar**

Chief, International Finance Corporation, Central European Mission, Prague

## "Financing Infrastructure Improvements--the Role of the Private Sector"

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There has been a revolution in infrastructure management and development over the last five years--the period when Croatia's energies and finances have been diverted by war. Privatization of many previously public services--including power, water, and sanitation--have tested the flexibility and initiative of many Eastern European governments in transition. The International Finance Corporation (IFC) has taken a leading role in finding new strategies for private investment in these areas, and providing the access to capital necessary for their realization.

The IFC, an affiliate of the World Bank, will issue loans only to private sector projects which are commercially viable, foster model investment patterns, and provide "demonstration effect." Credit criteria also include the environmentally sound considerations. Often the environmental standards imposed as preconditions by the bank are more stringent than the national regulations applicable to the site. The Bank typically supports projects with loans of between \$5–75 million comprising a maximum of 25% of the total project cost; most are privately-owned projects related to utilities and infrastructure management.

Infrastructural development is the bottleneck for privatization; the recent revolution in development practices stems from the ability of the private sector to dramatically reduce inefficiencies which often plague publicly-managed utilities, cutting costs and improving service at a profit. In some cities studied by the IFC, up to 40% of the power capacity and 30% of the water capacity were routinely unavailable due to leaks and maintenance problems. These conditions have prompted a shift in concern from the quantitative to the qualitative aspects of infrastructural projects. The IFC seeks to promote stable, responsible growth exclusively in the private sector. Successes, like the turnover of the water utility to private vendors in Buenos Aires, prove that best practices can be sustained at a profit with the IFC as a catalyst. New approaches to financing projects in transit, power, and telecommunications help the bank's clients succeed and breathe new life into decaying urban cores--many of them rich in cultural heritage.

Ms. Joan **Martin-Brown**

Advisor to the Vice President, The World Bank, Washington, D.C.

"Innovative Financing of Environmentally Sustainable Development"

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Twenty-one countries at the Earth Council conference reached a consensus: the only economic development which can be responsibly pursued is one that does not bankrupt social or ecological capital nor create or imply new economic debts. The World Bank's efforts to service innovative financing for environmentally sustainable projects conform to this mandate.

Tourism in Croatia, as elsewhere, has historically wrought conflict between people and business: waste, power, and transport systems were overburdened so that visitors and natives suffered a downward shift in the quality of living conditions. In the future, these kinds of problems should be preempted through strict lending criteria and firmer, clearer government regulation (the United States has similar problems on a different scale; there, more than 22,000 federal employees with the Environmental Protection Agency spend taxes cleaning up after private sector negligence through programs which effectively subsidize profit and bad business practices). The world of development and finance that Croatia must operate in now is not the same as it was five years ago: coping mechanisms for the future are different. Access to capital must be engineered and distributed in new ways to promote sustainable development and relieve a population weakened and discouraged by war.

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"Credit is a ticket to explore one's own potential; a woman or a man who borrows a small amount of money--\$15, \$500--and who repays that loan in one year is not the same person they were that year before."

-- Joan Martin-Brown

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Lending criteria are designed to evoke a good practice pledge from investors, and to instill a sense of hope in people whose future has been severely compromised by war. The challenge to a centralized economy is how to decentralize access to credit at the community level; the World Bank, in conjunction with its intermediaries and partners like IMF and Grameen Bank, issues loans and grants which funnel capital capacity to small-scale investors and change the way the future is perceived. A \$200 million fund currently exists to aid in the microfinancing of projects which benefit the poorest members of a community, and for displaced persons in war-torn countries like Croatia.

Effective community financing requires more than capital; a democratic backdrop, strong local leadership, and firm accountability for the proper use of funding are essential.

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"The accountability for funding can be so bureaucratic at the central level and the international level that so often the creative energies of people to create their own investment portfolios and their own cooperatives at the local level are suffocated."

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Corruption is unlikely to occur when management systems are appropriate, relevant, properly designed, and transparent, especially regarding disbursements and repayments of funds. The image of incorruptibility is critical to creating confidence in the community for investment at any level. Decentralizing the administration of funds is also considered to be critical, as well encouraging cross-sectoral dialog for viable investment vision.

Some innovative solutions for financing sustainable tourism development derived from successful World Bank projects include:

- land use taxes
- betterment charges, impact fees for the beneficiaries of infrastructural improvements
- performance bonds, paid in advance by the investor with the promise of exercise of best practices; if they do not perform, they forego the money put up for the bond; applied with good results in Malaysia
- deposit refund on bottles and other recyclable waste
- watershed protection charges; applied with good results in Costa Rica
- eco-funds, green funds
- transferable development rights; applied with good results in Cyprus, Puerto Rico
- development visions developed and shared at local level, where the municipality plays the biggest role
- evaluation following project completion to ensure accountability

Mr. Andrija **Randic**

Director, State Agency for Protection of Cultural and Natural Heritage, Croatia

## "Environment Management Plan for the Cres-Losinj Archipelago"

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The "Environment Management Plan for the Cres-Losinj Archipelago" was made possible by a grant from the Mediterranean Environmental Technical Assistance Program (METAP), launched in early 1990 to identify and prepare investment projects and institutional development activities in the areas of water resource management, solid and hazardous waste management, pollution control, and coastal zone management.

Regarding the protection of natural, cultural, and historic resources, an effort is underway to design operational instruments which allow for a balanced approach to agriculture, forestry, and tourism, and all the compatible activities.

Culturally, the archipelago's landscape illustrates millennia of interactions with settlers (Illyrian, Greek, Roman, Croatian, Venetian) which produced many mechanisms for sustainable development: for instance, low stone walls crisscrossing the islands were built in ancient times to prevent soil erosion, act as a windshield for cultivation, and to retain water in the summer. These areas are currently threatened by depopulation, changing labor patterns, and seasonal tourism influx.

The objective of this management plan for the conservation of the Cres-Losinj archipelago is to provide guidelines for decision makers at the Republic and Commune levels for the conservation of crucial and irreplaceable natural ecosystems and cultural resources, while assisting in the creation of an ecologically and economically viable future for the area's human population.

The plan examines the technical, institutional, environmental, social, and economic aspects of the conservation of the Cres-Losinj archipelago. It has three main goals:

- the conservation and management of the area's ecosystems and habitats, and animal and plant populations and communities;
- the conservation and management of the area's natural (water, land, biological), historical, and cultural resources in a sustainable multi-goal context. Specifically this

implies synthesizing biodiversity conservation with the needs of a growing population and associated touristic, urban, and agricultural developments; and

- the evaluation of related development schemes from the perspective of conservation and sustainable development. This will involve reviewing their economic viability, social impact, and environmental implications.

It is proposed that the archipelago be divided into three zones:

1. *urban development zone*—encompasses all urban areas and settlements with stable or growing populations
2. *social and physical revitalization zones*—these zones will encompass most of the terrestrial landscape where traditional agricultural and forestry activities will continue along with other activities such as hunting and recreation. These zones also encompass the fading rural communities where the creation of compatible activities, particularly eco-tourism and agri-tourism will be encouraged.
3. *ecological zone*—several ecological reserves with different protective purposes are proposed (herpetological, ornithological, botanical). They encompass both strict reserves and buffer zones.

The plan provides a framework for implementation and initiates a process in which all concerned parties will have a chance to participate. It also proposes to government authorities a practical strategy, technical methodology, and adaptations to existing institutional structures to insure sustainable development and conservation of natural and cultural resources in and around the area.

## "Physical Planning Strategy for Sustainable Tourism"

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Successful physical planning for sustainable tourism in historic areas acknowledges the way natural and man-made values are woven together in a single cultural landscape. Historic development in the south Dalmatian region (the former Republic of Dubrovnik) was harmonious and ecologically sound, balanced even in cities, where every square foot was put to use. Especially in light of this regional legacy, mass tourism represented a merciless attack on fragile sites and often resulted in the ruin of whole towns and villages.

Following the catastrophe of war, there is the threat of a secondary disaster lurking: the desire to quickly and cheaply effect an economic comeback in Croatia. Poor decisions, made in haste and with immediate revenues in mind, could constitute another cycle of destruction along the Adriatic coast for all the cultural sites now existing in a traditional, balanced relationship to the natural environment. In light of this prospect and the obvious need to rejuvenate a major industry, tourism can be seen as a carrier of good and ill in this region.

The proper approach to the development of historic structures requires far sighted policy, preliminary research, inspection, awareness of structural integrity, study of new uses, and the use of human spirit as a driving force behind the revitalization effort. Players must share a clear image of the urban whole, infused with a sense of continuity, proportion, archaeological values, and the character of the place.

The island of Korcula and the twin towns of Ston and Mali Ston on the Peljesac peninsula and the town of Dubrovnik offer good examples of the way Croatian coastal cities evolved in harmony with their surroundings; all of them must resist insensitive development schemes if the message they carry is to be delivered to the next generation and to other nations. These sites lack updated, comprehensive area maps and master plans; the result sometimes is improvisation at the city planning level and poorly-coordinated decision-making.



"Institutional and Legal Framework and Illegal Construction"

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Due to their hasty construction during wartime, the new constitutional regulations regarding protection of cultural heritage sites and urban planning are not well coordinated. Ownership questions continue to plague the progress of private development since vague criteria allow the State to retain control of significant amounts of property. With the legal avenues for new construction clogged with redundancies, many illegal projects are moving forward in an unobstructed manner. Mechanisms for regulation and inspection appear too weak at this time to stem the tide.

Illegal structures might best be demolished; offenders might be charged with a criminal offense. Even so, the lack of insightful and organized planning can be considered the root cause of the current problems. Political pressures frequently bind the planner, who must satisfy public officials eager to generate housing and jobs quickly as well as citizens concerned with historic value and long-term quality of life.

Mr. Vjekoslav **Vierda**  
Director, Institute for Restoration

## "Cultural Heritage Conservation and Adaptive Reuse"

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Dubrovnik has already undergone one reconstruction campaign in recent memory--the program which followed the 1979 earthquake and established the Institute for Restoration under the guidance of UNESCO. That agency continues to manage important projects within the city walls which define the World Heritage Site boundaries.

Since 1979 many lessons have been learned regarding technique, evaluation, and fund-raising for historic structural repair; currently, only traditional materials and methods are used for restoration work and nothing is replaced which might be adequately repaired. These insights may prove useful in the long process of recovery from the recent military aggression, in which 68% of the buildings in the Old Town were affected. Outside the city walls, in rural settlements like Cilipi, the destruction was more severe due to a prolonged period of Serbian-Montenegrin occupation.

Since the outbreak of hostilities, UNESCO has played an important role in the rebuilding process. Shipments of new donated roof tiles were coordinated by UNESCO, and these were laid in underneath older ones to preserve, where possible, the authentic appearance of the famous roofscape. This work is especially important since it sped the return of displaced families to their homes in the town. The Rebuild Dubrovnik Fund also contributed generously to this effort, along with many other private organizations abroad. The UNESCO Action Plan and survey--while containing some faulty valuation information--has helped to raise awareness and interest in the revitalization of the Old Town by presenting the destruction in a coherent, objective manner which anticipates direct foreign investment.

The greatest long-term concern confronting the reconstruction effort in Dubrovnik is the low standard of sewage, water treatment, and solid waste disposal in the region; many of these physical systems are centuries old and in dire need of upgrading.

Mr. Romano **Duic**

Dept. of Physical Planning, Housing, and Municipal Services, Construction and Environment Protection

"Technical Infrastructure in the County of Dubrovnik and Neretva:  
Problems, Obstacles, and Needs"

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Preservation can be viewed as a prerequisite for growth along Croatia's Adriatic coastline; in the process of recovery, the County Planning Office views the low quality of infrastructure as one of the greatest obstacles to economic development. Prior to the war, the foundation of this crisis was already in the making: the government invested relatively little in utility upgrades; rural agricultural settlements and traditional economic systems were abandoned; the socialist proletariat was the preferred social class; along the coast, economic life was dominated by the monoculture of tourism.

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In spite of the fact that Dubrovnik was a tourist destination of worldwide renown, its municipal standards in many respects lag behind anonymous small towns of developed Europe."

-- Romano Duic

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To date, only 20% of the county of Dubrovnik and Neretva is covered by the network of public waterworks, and the road system is generally in a poor state. The negative results of this pre-war condition can be summarized as follows:

- depopulation of large inland areas
- rapid population growth in urban areas which cannot adequately support it
- disappearance of cultivated rural landscape

Areas that now are showing depopulation tendencies have, for centuries, represented a cultivated and harmonious whole, wherein the living used to be modest, self-denying, and civilized.

The Adriatic Road (the traffic artery along the coast) exemplifies how misplanned traffic corridors may generate very negative developments within a territory. Built during the sixties, this road occupies the most valuable and attractive parts of the narrow coastal zone, and motivates intensive and mostly uncontrolled construction in direct or indirect service of tourism. The coastal land is needlessly devastated by non-traditional, hybrid construction without a sense of memory or a recognition of the demands of this area.

Regarding sewage, numerous international laws have established standards for marine pollution levels and waste water disposal, most notably the Geneva Declaration of 1985, the Athens Protocol of 1980 and the Barcelona Convention of 1976 (see summaries of these documents attached as appendices). Croatia will need large-scale investment in infrastructure upgrade if these standards are to be met under the pressure of increased development. A separate and very considerable problem is the incomplete sewage systems in registered and protected Nature reserves such as Mljet National Park or Mali Ston Bay Special Reserve, both discussed elsewhere in this publication. The exceptional natural and economic values of these areas should not be imperiled by the lack of elementary technical infrastructure.

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"Waste disposal, almost as a rule, proceeds contrary to all prescribed standards."

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Solid waste disposal management and planning in the county are subject to question; for instance, the Grabovica dumping ground serving both Dubrovnik and the Konavle districts is situated in a part of the Ombla River basin near to its source and within the first zone of the sanitary source protection and there is almost unobstructed inflow of the seepage water to the riverhead due to a lack of insulation on the bottom of the waste area. The Ombla River is the only source of drinkable water for Dubrovnik.

**Mr. Enver Sehovic**

University of Zagreb

"Advanced Information Technologies and Development of the  
Dubrovnik Region--Proposal for a Pilot Project"

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Infrastructure now includes advanced information networks. The European Union, guided by the Bangemann Report of 1994, will make a 500 billion ECU investment in a unified program by 2005, and the United States and G7 have undertaken similar initiatives. Implementation of current technologies on the western European standard in Croatia can open multimedia access to the cultural heritage of Dubrovnik and the surrounding coastal region, allow for the development of advanced education and training resources, foster business-related services, and support community information systems for voting and research.

Recommended is an upgrading of the Inter-University Center's facilities to allow for video conferencing applications and long-distance learning, restructuring Dubrovnik's economy through deployment of knowledge-based small and medium-sized enterprises, establishing international education and training programs outside the Center, development of business-related information technologies and services, and the digitizing of the Dubrovnik archives for on-line access.

**Mr. Thomas Gilbert**

President, GeoHistory, Inc.

"Demonstration of Balkans Multimedia Database: Presentation of Potentials"

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A multimedia database can be the foundation for an array of educational programs and on-line resources in Croatia, allowing its history, cultural resources, and investment opportunities to gain global exposure. The interaction of layered, customized electronic information modules should allow the user to gain a broad understanding of events and political circumstances quickly. The technology allows for fast, intuitive exploration of large, linked networks of information from any computer terminal.

Ms. Patricia **Veramenta-Pavisa**

Director, State Agency for Protection of Cultural and Natural Heritage, Dubrovnik

## "Dubrovnik, Korcula, and Ston: Historic Overview and Audio Visual Presentation"

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Dubrovnik is historically a nautical city with high cultural achievements resulting from its long-standing prosperity and continuous exposure to foreign cultures through the merchant marine. The first efforts of the Dubrovnik city fathers to conserve their cultural heritage date to the aftermath of the 1667 earthquake, which not only leveled most of the city but also killed half of its inhabitants. The restoration program of that period forbade new construction activity before the historic nucleus and its damaged structures were restored. The restoration program was implemented by the end of the 17th century and the city was preserved more or less in that form until modern times, when in 1979 Dubrovnik was again struck by a major earthquake. It was inscribed on the World Heritage List in 1979, and in 1991 it was placed on the World Heritage in Danger List following repeated Serbian mortar attacks.

The city of Korcula is one of the best preserved urban complexes in the Adriatic. Densely built inside a defensive wall, located on the most extended part of the channel, urbanistically and architecturally complete in whole and part, it gives an exciting and authentic picture of medieval architecture. The Republic of Venice occupied the island from 1420 until 1787, the years of its peak strength as maritime trade rival to nearby Dubrovnik. The city of Korcula experienced its greatest prosperity during the 15th and 16th centuries, when many buildings were designed or renovated in Venetian style. According to some sources, Marco Polo was also connected to the city.

Immediately after the Peninsula Peljesac was bought by the Dubrovnik Republic, the city of Ston was planned and construction started in 1333. Ston and Mali Ston are medieval cities connected by a thick fortification wall which protected the land, salt works, and bay where oysters have been harvested since the time of the Romans. The salt from this area on the peninsula of Peljesac once supplied the entire Balkans. The bay constitutes a natural, cultural, and economic treasure with its high nutrient content, array of native crustacean species, lengthy historic development and large annual shellfish harvests.

"Ways of Protecting Natural Resources"

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There are many sites in Dubrovnik and its surrounding areas as rich in natural resources as the Old Town is in artistic ones; these have been threatened and damaged in recent decades by the tourist trade and urban expansion.

*The Croatian Academy of Sciences and Fine Arts is located in Dubrovnik, and it maintains a botanical garden on the nearby island of Lokrum, established in 1959. The garden contains over six hundred plant species from Australia and South America including *Eucalyptus*, *Mimosaceae*, *Arecaceae*, *Cactaceae*, etc. A large number of plants were burned during frequent wartime shellings and others are fading because the irrigation system was demolished in the war. Resources and personnel dedicated to their upkeep have dwindled almost to zero as war-related budget cuts took their toll.*

In the Bay of Mali Ston shellfish have been continuously cultivated since the time of the Roman Empire and sustainable development was always upheld by local people. The bay appeared in headlines in 1980 when the Republic of Bosnia and Herzegovina unveiled a plan to construct a new city of twenty-two thousand inhabitants on its shore. The town's sewage system was designed to dump all wastes into the center of the bay, killing the shellfish cultures and changing the marine ecosystem entirely. While this plan was finally averted due to public resistance, the causes of its inception are worth noting.

During the 1970s the former Yugoslavia experienced rapid development in the tourism sector which led to many new projects in the coastal Adriatic region as part of the "Southern Adriatic Project." The government did not pay attention to the cultural heritage and tradition, orienting its efforts to the progress of the tourist industry. Traditional resources, such as fisheries and aquaculture, were neglected. Along the Adriatic coast there are a number of miscalculated projects that destroyed the local living patterns along with the environment (Kastela Bay, Sibenik, Bakar Bay). These actions erased resources that cannot be reconstructed.

The example of Mali Ston demonstrates that concerted effort and pressure on government officials can have a positive influence on development patterns; though the rerouting of the sewage system was expensive, the long-term retention of the health and vitality of the Bay has many benefits. Traditional economies and communal rhythms were preserved, making it a model for the region in this post-war reconstruction period.



## “Monasteries: Historic Overview”

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The monasteries in Dubrovnik-Neretva county have been the focus of the first study approved in 1994 and supported by the Samuel H. Kress Foundation. The objective of this study was to prepare some material on the architectural heritage for the conference planned for May 1996. The short term aim of the conference was to

- highlight the problems associated with conservation of cultural and natural heritage in general and the monasteries and their environmental context in particular;
- raise the consciousness of local administrators about self-sustaining development strategies, where any monastery project or any other cultural or natural heritage project could be used as a pilot study;
- evaluate the advantages of comprehensive development approaches which encompass the entire Dubrovnik-Neretva County;
- discourage plans for speculative development which presumably would pick the best and most economically viable monasteries and create lasting damage by neglecting the rest.

The long term aim of the conference was to create an interest among international development agencies for investment that would provide not only the conservation of cultural and natural heritage (in this case with a focus on the monasteries), but also promote sustainable development through

- development of cultural tourism;
- rejuvenation of traditional local crafts such as stone masonry and ship building;
- training and employment opportunities for the young people in the coastal and island communities;
- promotion of rural and eco-tourism.

The successful implementation of this potential pilot project on adaptive reuse of monasteries could serve as a possible formula for other similarly self-sufficient projects with the aim of creating a unique spiritual, cultural, and ecological preserve along the southern Croatian Adriatic coast.

Presently, in the Dubrovnik-Neretva County, there are eleven Franciscan, six Dominican, and 3 Benedictine monasteries that have been surveyed as a part of the above study. Until the 19th century most of this territory belonged to the Dubrovnik Republic. Only the island of Korcula was part of the Venetian Republic. Most of the monasteries in the region apart from spiritual, cultural, and social roles also had strategic functions as important observation posts used to inform and protect the Dubrovnik Republic from its hostile and unpredictable neighbors.

The specific locations, ownership, and founding dates of the surveyed monasteries are as follows:

<b>region</b>	<b>town</b>	<b>religious order</b>	<b>founded</b>
<i>Peljesac Peninsula</i>	Viganj	Dominican, Madonna of Rosary	17th c.
	Orebici	Franciscan, Madonna of Angels	1470
	Kuna	Franciscan, Madonna of Loreto	1707
	Ston	Franciscan, Madonna of St. Nicholas	1347
	Ston	Dominican	14th c.
<i>coast north of Dubrovnik</i>	Slano	Franciscan, St. Jeronimus	1399
	Rozat	Franciscan, Pilgrim Mario	1393
<i>Dubrovnik-Neretva County</i>	Dubrovnik	Franciscan, Small Brothers	1317
	Dubrovnik	Dominican	14th c.
	Dubrovnik	Benedictine, Sv. Jakov	1222
<i>coast south of Dubrovnik</i>	Chelopeći	Dominican	14th c.
	Pridvorje	Franciscan, St. Blasius	1417
	Cavtat	Franciscan, Madonna of Snow	1484
<i>coastal islands</i>	Lokrum	Benedictine, St. Mary	12th c.
	Daksa	Franciscan, St. Sabina	1281
	Lopud	Franciscan	15th c.

Lopud	Dominican	15th c.
Mljet	Benedictine	12th c.
Badija	Franciscan	1392
Korcula	Dominican	1480

In the Dubrovnik region, most monasteries were built during a three distinct periods. The first period we have records for was the time of early Christianity; the second period spanned the pre-Romanesque and Romanesque eras dating between the 9th and 12th centuries, when many monasteries were constructed often on islands and outside of urban settlements by the Benedictines; the third period spanned the 13th and 14th centuries, when monastery construction was dominated by Franciscans and Dominicans.

Following the death of Fransisco of Assisi at the beginning of the 13th century, Franciscan monasteries were built all over Europe and within three generations could be found in almost every Christian town. In the late 13th century in Italy, there were 567 Franciscan monasteries, in France 247, in Germany 203, and in Dalmatia 22. In the region of the Dubrovnik Republic, Franciscans and Dominicans built their monasteries near the city gates to assure security to the city and the local order of monks.

The following four monasteries on the islands of Lokrum, Lopud, Mljet, and Badija are believed to have the greatest development potential as cultural, spiritual, and recreational destinations.

## **Lokrum**

The gradual development of the Benedictine monastery of Lokrum can be followed from the 11th to the 20th century. The first monastery was built in 1023 and the church was added to the existing building in the 13th century.

During the time of great prosperity in the Dubrovnik Republic in the 15th and 16th centuries, the Benedictines built a new cloister and complex to the west of the existing structure. The earthquake of 1667 damaged the entire monastery, and much later in the mid-nineteenth century Mexican Emperor Maximilian I built a residence for himself and his new wife on the site.

The island of Lokrum is half a mile from the Old City of Dubrovnik and contains an exceptionally beautiful natural reserve, unspoiled over many centuries of human use thanks to careful protection provided by municipal leaders. The island has a good natural port, a botanical garden, old groves of olive trees, and an alley of oleanders (currently quite badly damaged by the war). It also has a small natural lake, called the 'Dead Sea', which is connected with the ocean. In the past, Lokrum has nurtured a great many vineyards and gardens, none of which remain today.

## **Lopud**

The Franciscan Monastery on the island of Lopud was founded in the year 1483, and the building was completed in the early 16th century, and the fortification was and fort were finished in 1599. Today the complex comprises a functioning church, ruined monastery buildings, former gardens, the fortress, and some land, all situated at the edge of Lopud town. This monastery has one of the most commanding views of Lopud Bay and the Croatian mainland. Historically, it always had a strategic and protective function at the city gate. Since the fall of the Dubrovnik Republic in the 19th century, the monastery was deserted and used mainly for military purposes, due to its strategic location and ample fortifications.

The island of Lopud, four kilometers away from Dubrovnik, is part of the Elafiti chain of islands. The town of Lopud, on the east side of the island and located in a deep natural bay, was inhabited during the Greek and Roman times and has been the home of many summer estates and gardens belonging to Dubrovnik nobility. The island was purchased by the Republic of Dubrovnik in the 11th century, and since 1459 it was the seat of the Governor.

## **Mljet**

The Benedictine monastery founded in the 12th century is located on the island of St. Mary in the great lake of the island's Mljet National Park—an island within an island. The Park was established in 1969 and covers approximately one-third of the island. Its most outstanding assets are the two salt lakes it contains, joined to each other and to the sea via

narrow tidal channels. The lakes are surrounded by pine forests rich in flora and fauna. In ancient times the island was inhabited by the Illyrians; the name Mljet was first mentioned in the 2nd century during the campaign of Roman Emperor Octavian, who conquered Mljet and Korcula in the first century. The ruins of a Roman palace from the 4th or 5th centuries on the island are witness to a substantial and active Roman presence.

With the arrival of the Slavic races to the region, Mljet was captured by the Neretlyans. In 1151 the Neretlyan prince presented the island to the sole possession of the Benedictine monk of the Appian Order, from Gargano in Appulia. The Benedictines built the monastery on the island in the middle of the salt lake, and the present day structure is a Renaissance transformation of the original monastic complex. With the fall of the Dubrovnik Republic, the people of Mljet suffered a sharp decline in prosperity and growth. Still, the monastery remained one of the strongest in the region and continued to enjoy the support of many members of the Dubrovnik aristocracy. During the French occupation in the early nineteenth century, the monastery was abolished and its lands divided. Presently, the island's population has shrunk to less than 1,000 and is in need of new economic generators.

## **Badija**

The island of Badija is located west of the island of Korcula within the Peljesac/Korcula sea canal. According to some sources, the island was given to the Franciscan Order by the bishop from Korcula in 1392, at which point the Bosnian Franciscans started building the monastery. In 1477 the adjoining church of Our Lady of Compassion was built on the foundations of an earlier church structure.

Badija is one of the larger monastery complexes in the region, with a central cloister typical to many of the Franciscan monasteries in the region. Instead of a cloister garden, it contains a raised flagstone platform and cistern well, under which natural water is pooled. This cloister provided a cool and protected resting place for pilgrims. The monastery as it appears today was built in the 15th and 16th centuries in the late Gothic and early Renaissance styles, showing peculiarities typical for the provinces where local masters freely expressed their creative ideas. The church portal and decorative reliefs were executed by stone masons from Korcula.

## CONCLUSIONS:

Mr. John Stubbs

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This conference, conceived and orchestrated by Mrs. Sylvia Gottwald-Thapar, has touched upon a broad range of issues related to the future of sustainable post-war development in Croatia, including history, ecology, biodiversity, statistical analysis, legal procedure, finance, reuse potentials, tourism development, recreation, architectural preservation, transport, engineering...the list goes on. All are critical to a comprehensive approach to the challenges of economic revitalization along the Adriatic coastline.

In the course of these presentations, two **frameworks** for successful and sustainable development emerged:

- public/private frameworks
- joint local/international teams

From a blend of resources and interests, many excellent projects have been created worldwide in every type of urban and rural environment. The presentations at this conference are a testimony to the power of innovation and a concerted appreciation for non-destructive forms of economic revitalization. Niko Bulic made it clear that self-sustaining and environmentally sensitive programs are a matter of survival; Mr. Adam Benovic proved that they can be implemented at the local level with ample determination; Mr. Serageldin offered assurance through case studies from the World Bank that these kinds of development projects can be profitable in the long-term.

Let us recall one of this conference's central objectives: to identify strategies for cultural resource management along the Dalmatian coast—not just for architectural conservation, or just for natural conservation—which address and encompass the totality of a site's potential. We learned that coastal development is again possible and promising as an income generator for Croatia, and that cultural resources management can no longer be neglected along the way to revenues. The problems of revitalization on the islands should be approached systematically, the presenters told us, taking into careful consideration:

- the **history** of coastal defense and communication via monasteries,
- the evolution of uses and **needs**,
- demographic **shifts**,
- ecological **dependencies**,
- on-site training **potential**, and
- local and traditional economic **generators**.

Many of the island sites have similar patterns of historic development and decay; while local needs and capacities deserve primary attention, Croatia's island monasteries offer an example of how sites can be analyzed as a chain of related destinations which are linked thematically. Viewed as a group, the development of these properties could be diversified according to a wide array of development **strategies** for sustainable cultural tourism:

- long and short tourist visits
- exclusive or inclusive site programming
- inexpensive or expensive tours
- remote or accessible locations
- small and simple or large and complex environments, etc.

Whatever shape the solution takes, the participants agreed that the development scheme must be multifaceted, well organized, and well managed. Joan Martin-Brown noted that success in this domain requires a vision of the future which reflects the will of the people and strong local leadership at all levels.

Many topics discussed here may appear unrelated at first glance: water supply, roadways, aircraft production, digital archives, and savings accounts, for example. All have been shown to be interdependent. This forum has proven the need for further interdisciplinary exchange and for innovative partnerships. The relationships formed during this conference in Dubrovnik represent a first investment and contribute to the groundwork of a sustainable, prosperous future for Croatia's resplendent coastline.

## SITE VISITS

WEDNESDAY, MAY 29 1996

### Island of Lokrum

- *Benedictine Monastery "St. Mary", 12th century*
  - *greenhouse*
  - *botanical garden*
- 

Conference participants were privileged to visit this forested island lying half a mile from the city of Dubrovnik, currently protected as a Natural Reserve, with the guidance of Mr. Adam Benovic of the Institute for Biology and an ATLAS docent. The island was home to Benedictine monks in the seventeenth century, and later Maximilian I, the Emperor of Mexico and brother to Austrian Emperor Francis Joseph, who built a private residence for himself and his wife on this island in the mid-nineteenth century. The house was built on the foundations of the old Benedictine Monastery and largely abandoned following Maximilian death and the decline of the Austrian influence in Dalmatia.

Currently, the west wing of the complex contains the remnants and rebuilt sections of the Monastery, comprising approximately one thousand five hundred square meters; the east wing is the remainder of the Maximilian summer residence. Some auxiliary buildings and the cloister are in an advanced state of disintegration, and the botanical garden is in great need of maintenance following repeated mortar attacks and subsequent neglect during the recent war. Still, the unified limestone structure surrounding the cloister and courtyard is intact and remains unusually picturesque. Telecommunications, power, water, and sewage services on the island remain functional. Footpaths wind around the island, touching the rocky shore and allowing the visitor to explore the interior without the distraction of motor vehicles. The blend of natural and cultural elements within the monastery site, along with the pristine state of the island in general gives Lokrum a special allure.

The remains of the Benedictine Monastery form a strange but pleasing ensemble, the restoration of which was undertaken by the Croatian government prior to 1991 but was



interrupted by the war. The site could be developed for multiple purposes; since it is owned by the Academy of Arts and Sciences of Zagreb University, and an educational function would be ideal. The visitors were impressed with the diversity of plant life on the island and especially within the botanical garden, offering a special resource to tourists and researchers. Without support and much-improved maintenance, these species may not survive; likewise, the building stock is in serious disrepair and its rehabilitation may soon become implausible.

## Island of Lopud

- *Franciscan Monastery, 15th century*
  - *tour with Mayor*
- 

Conference participants were met on the island of Lopud by local representatives Dr. Stjepo Bogdanovic and Dr. Mladen Frka, who offered an tour and explanation of the "St. Marija" Franciscan Monastery situated on the edge of the small Lopud Bay.

The island of Lopud is part of the Elafiti chain, and was inhabited since ancient times by Greek and Roman settlers before being acquired by the Republic of Dubrovnik in the eleventh century. Noblemen of Dubrovnik built numerous summer villas on the island, situated just four kilometers from the city and possessing a deep natural bay. The Franciscan Monastery, at the edge of Lopud town, was built at the beginning of the fifteenth century and its complex includes a functioning church, largely disintegrated cloister, formal gardens, a fortress component and land used for cultivation. Historically this site had significant protective and strategic functions as monks watched for the movement of hostile ships and could transmit information quickly through their network of monasteries along the coast north of Dubrovnik. This monastery is in a partially ruined, but still beautiful state, and retains special interest due to its combined fortification and religious structural typologies.

Currently the complex is not in use, and physical infrastructure minimal. The visitors noted the extremely advantageous views afforded by the hilltop site of the monastery; its overgrown appearance and stark fortress walls create a tranquil environment and might be subjected to careful interpretive treatment for the benefit of tourists willing to visit without a full spectrum of amenities. This site was placed on the *1996 World Monuments Watch List of 100 Endangered Sites* in light of its value and highly degraded physical state.

## Island of Mljet

- *Benedictine Monastery "Melita" on the sub-island of St. Mary, 12th century*
  - *lunch with Mr. Grgur Cumbelic, Mayor of Mljet*
- 

Mljet is an island of remarkable natural splendor and purity; lack of a networked water supply, solid waste disposal, and paved roads have acted as a barrier to development and allowed the way of life cultivated there over centuries to evolve in a generally uninterrupted fashion. The name Mljet was first mentioned in the second century with reference to the military campaign of Roman Emperor Octavian, who conquered Mljet and neighboring Korcula during his reign. Rich and unusual flora and fauna are found in abundance on the island, which has been a destination for more adventuresome travelers and campers since it became a National Park in 1960. The waters off its shores are especially clean and ideal for recreation and research.

Participants were met upon their arrival by local mayor Mr. Grgur Cumbelic and toured the "Mljet" National Park by car, which covers roughly one-third of the island, thirty-one square kilometers. Within this area two salt lakes are linked to the sea, and to each other, by narrow tide channels. These two protected lakes are surrounded by pine forests and exhibit no scars of human intervention besides gravel roads and the Monastery "Melita" which was the destination of the group--situated within the larger of these lakes on yet another island. Its perfect seclusion and architectural merits were enough to capture the imagination of all the participants who were fortunate enough to see it.

Overgrown and dilapidated, this site presents a challenge to the developer interested in its revitalization, compounded by the island's lack of utilities. The layout and scale of the monastery structure lends itself well to institutional, tourist, and educational functions, all of which were discussed enthusiastically by the assembled visitors. It was noted during the luncheon hosted by the mayor that local residents are eager to see new businesses and new sources of revenue appear on the island, and would welcome new ideas for how to create revenue with the monastery. All of the assembled experts agreed that the environment, while ripe for development in many respects, is also fragile and prone to unfavorable disruptions.

Consequently, the "Melita" site represents the prototypical challenge articulated during the Dubrovnik conference: a site of great natural beauty, architectural fascination, and compelling history which must be approached with an understanding for its context of political instability, the limitations of inadequate physical infrastructure, and the potential disaster consequent to hasty development. This visit helped to focus these issues and familiarize the participants directly with the cultural and natural resources hanging in the balance.

In August of 1996 a second visit to Mljet was made by John Stubbs, John Thompson, Sylvia Gottwald-Thapar and others in the esteemed company of His Royal Highness the Prince of Wales. The monastery "Melita" was the focal point of the trip, where plans were discussed to undertake revitalization planning for the entire island. The progress of this initiative will be monitored by John Thompson through the Prince of Wales Project Office in London.

## Island of Badija

- *Franciscan Monastery, 1392*
- 

The participants visited Badija Island located west of Korcula along the Peljesac/Korcula sea canal; local representative Mr. Zivan Filipi met the group for a brief tour of the Monastery. The island was granted to the Benedictine order in 1392, kindling a building process which lasted for more than one hundred years. The structure, dating primarily from the fifteenth century, stands at the edge of the harbor and appeared to be in an excellent state of repair. A cloister of small, densely grouped columns encloses a groin-vaulted arcade and a paved interior courtyard which contains a well over a cistern. Religious pilgrims once came to rest in this court, and up until recently the monastery maintained this function as a shelter for war refugees. To the north of the cloister is a church, and to the south and east are the dormitory and administrative wings of the complex. The structure is executed in the late Romanesque style and demonstrates the free expressions of local stone carvers who were once renowned in the region, drawing stone from the nearby quarry on the island of Vrnik.

The conference visitors were impressed with the excellent state of preservation of this monastic complex, maintained during the war despite routine hostilities directed at the island. Telecommunications and utilities are adequate on the island, and ferry access from mainland ports is good. The complex has direct contact with the harbor's stone moorings, allowing for fine seaward views and a simple approach. The orientation of the structure reflects its central presence in the social and political life of the island during its period of prosperity and would allow for the re-introduction of vital uses to the site.

## Island of Korcula

- *tour of historic city of Korcula*
  - *dinner with Mayor of Korcula*
- 

Conference participants were the guests of local dignitaries and the Mayor of Korcula, Mr. Ante Lakic, and small groups toured the historic city of Korcula dating mainly from the thirteenth century. The conference's final banquet allowed the convened experts and financiers to examine how the principles of sustainable development in the tourist sector might be applied to the island monasteries of Dalmatia.



A: Conference coordinator Sylvia Gottwald-Thapar, Lord Mayor of Dubrovnik Nikola Obuljen, Vice President for Environmentally Sustainable Development Ismail Serageldin at the opening banquet in Dubrovnik's Villa Ursula

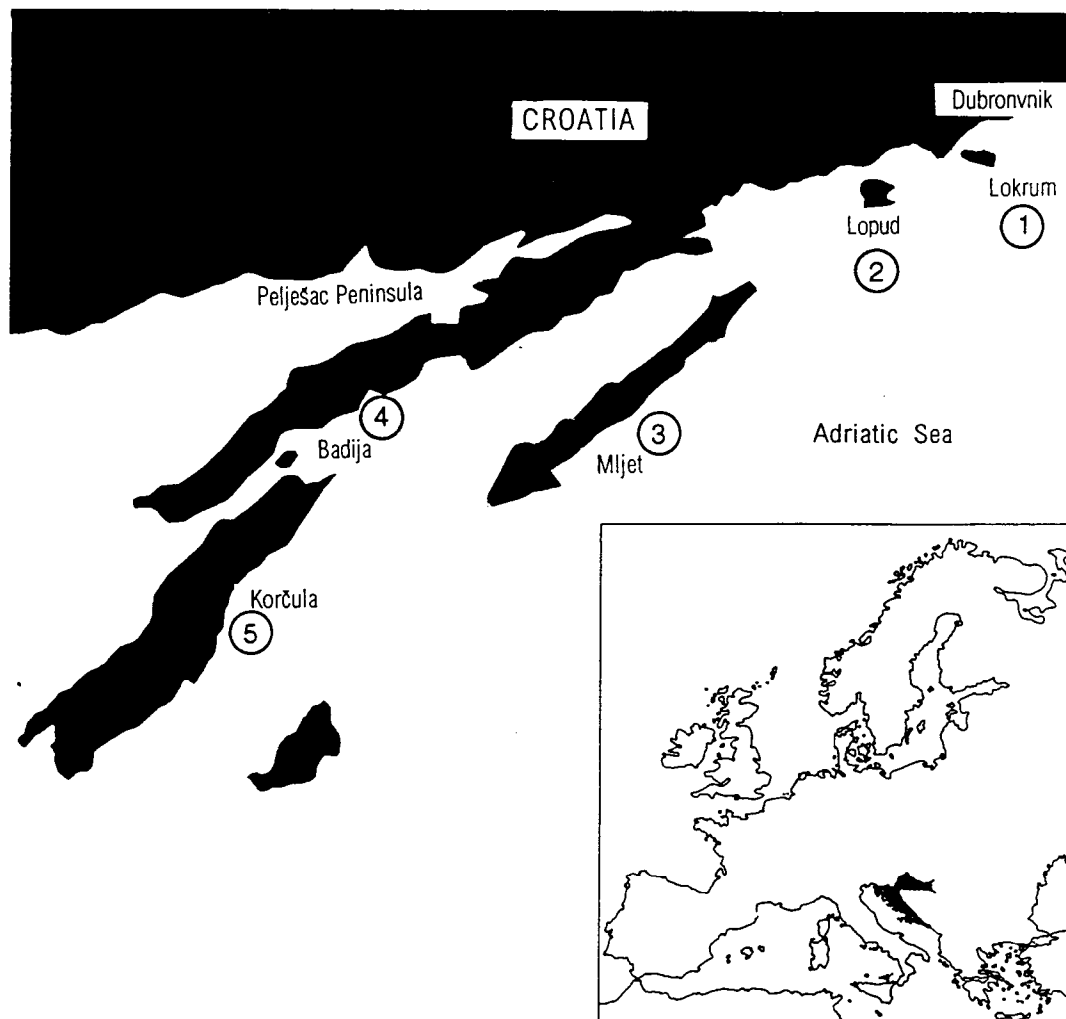


B: From left to right: Mr. Marko Skreb of the National Bank of Croatia, Mr. Ismail Serageldin of the World Bank, Mr. John Stubbs of the World Monuments Fund, and Mr. Niko Bulic of Croatia's Ministry of Tourism respond to questions during the conference proceedings.

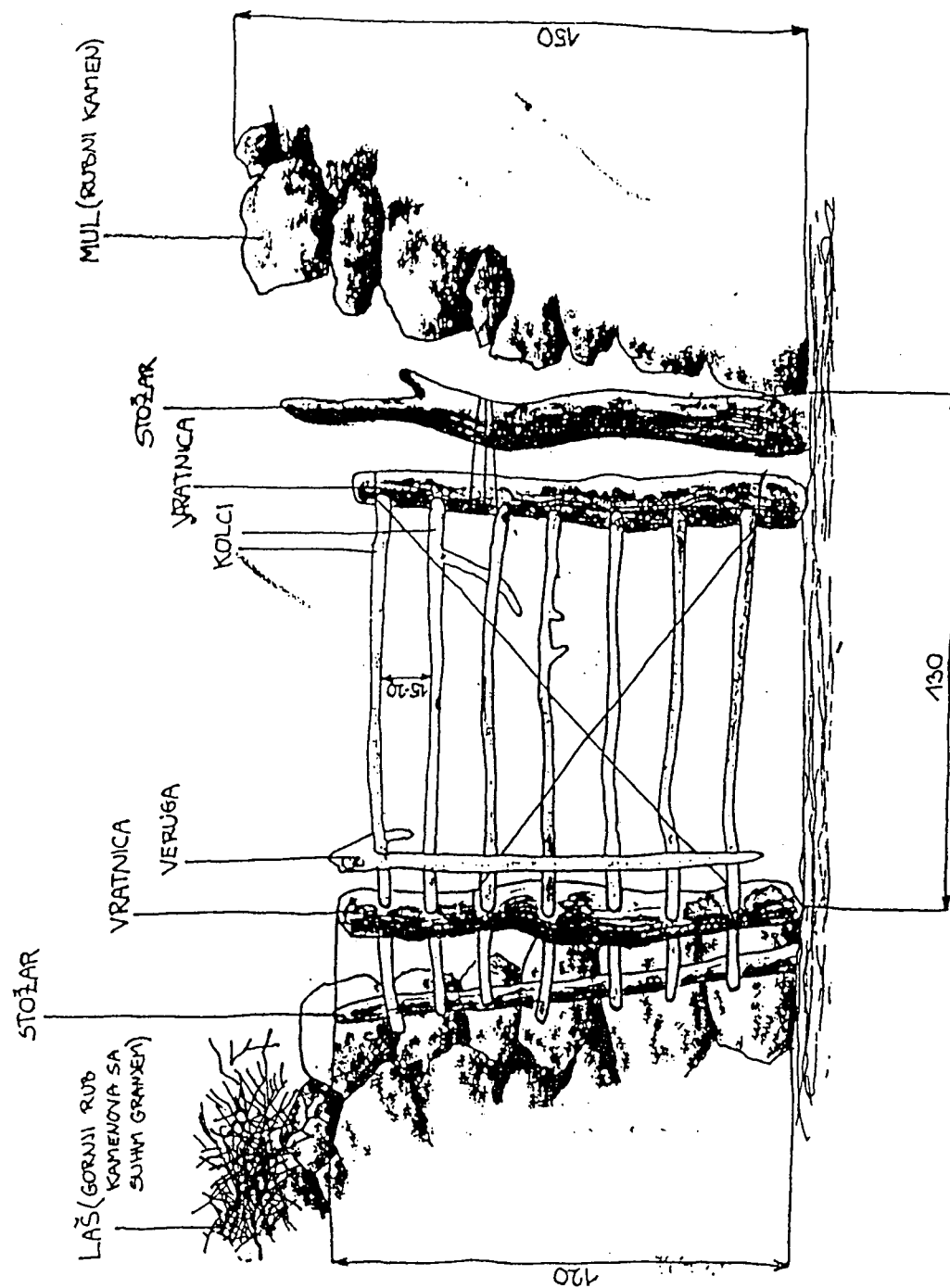




C: Mr. John Thompson of the Prince of Wales Project Office converses with Ms. Nazli Weiss of the Rebuild Dubrovnik Fund



D: Map of the islands visited by the conference participants and the surrounding region



- E: Design for new farm gate using indigenous materials and techniques, presented as part of a regional report on sustainable development strategies by Mr. Andrija Randić



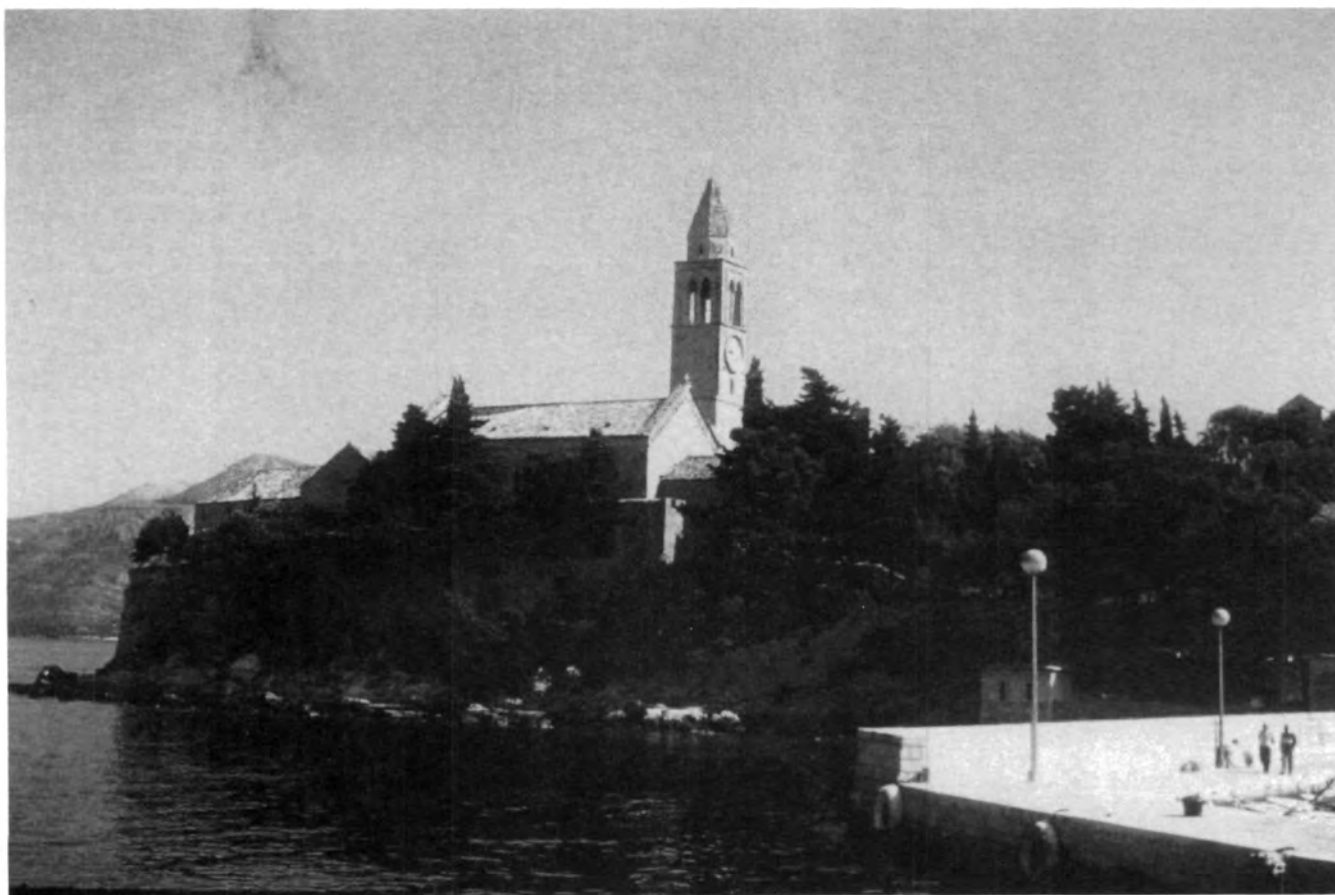
F: Cacti cultivated in the greenhouse of the botanical garden, Island of Lokrum



G: The curatorial staff of the botanical garden on Lokrum has shrunken to just two since the outbreak of war.



H: Lopud cloister, with Romanesque arcade, bell tower, and central cistern well.

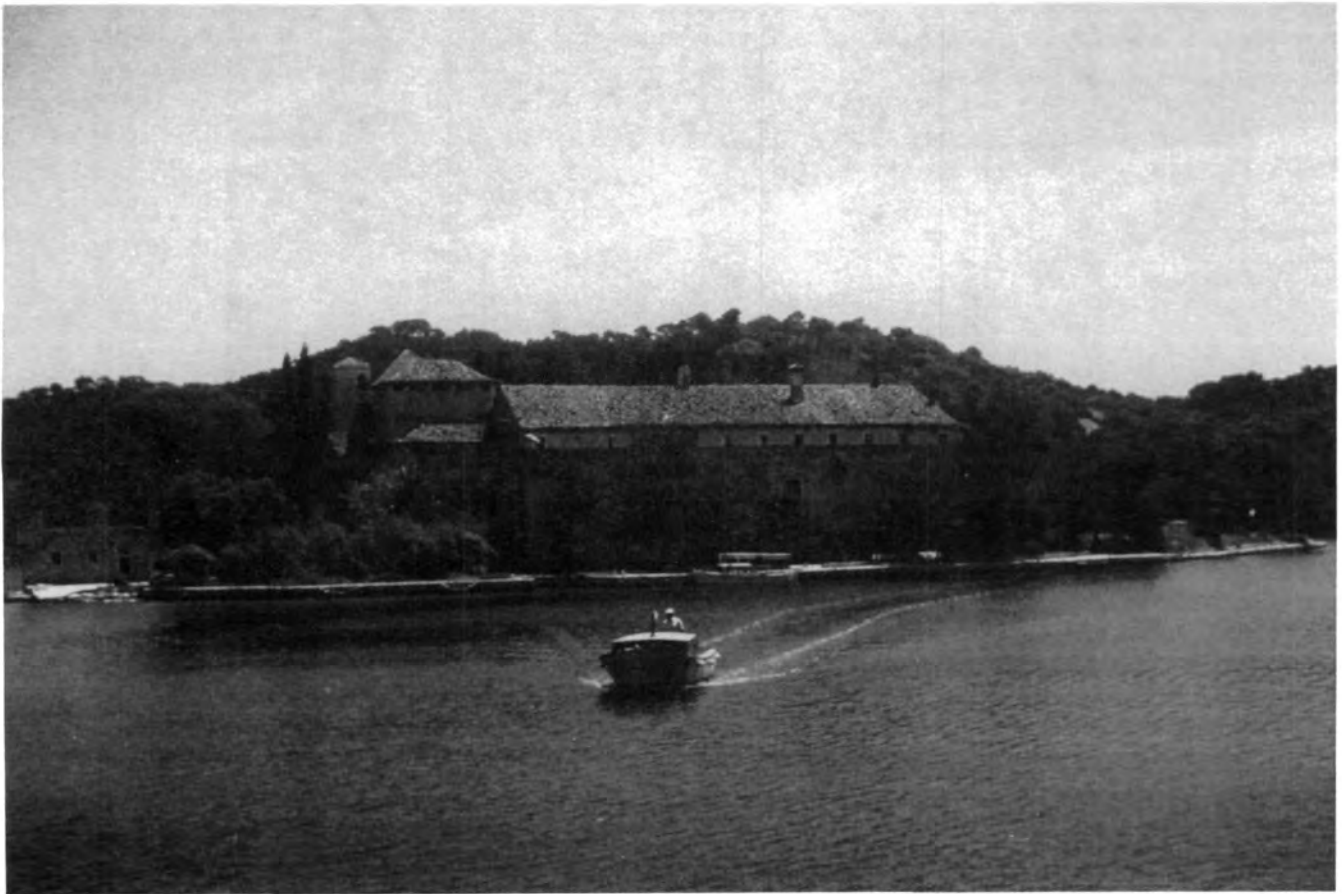


I: View of Lopud Franciscan Monastery from the harbor approach



- J: The overgrown courtyard of Mjlet's "Melita" Monastery cloister is beautiful and fragrant in the summer months; view includes ruined fortification tower attached to monastery complex





K: Approach to Mjlet's "Melita" Monastery from the lake shore: the complex stands on an island within a salt lake within the larger island



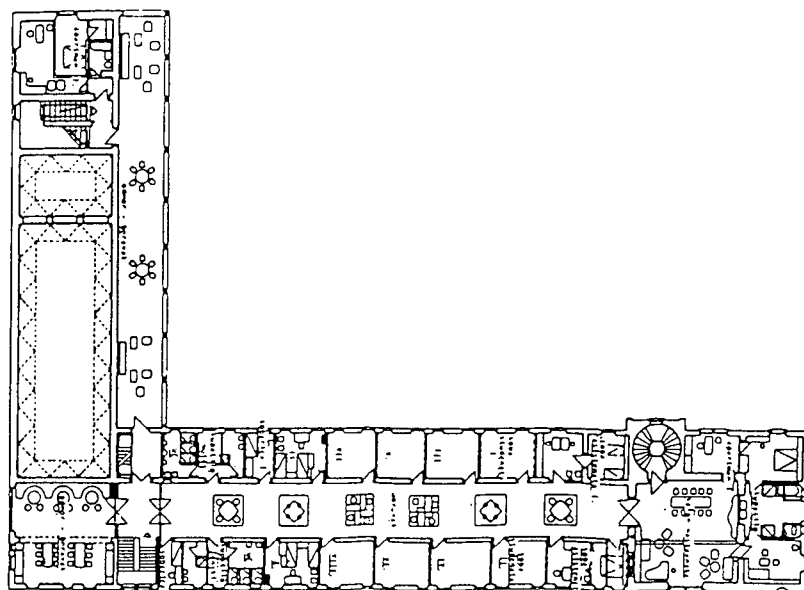
L: View of Badija Monastery from harbor approach



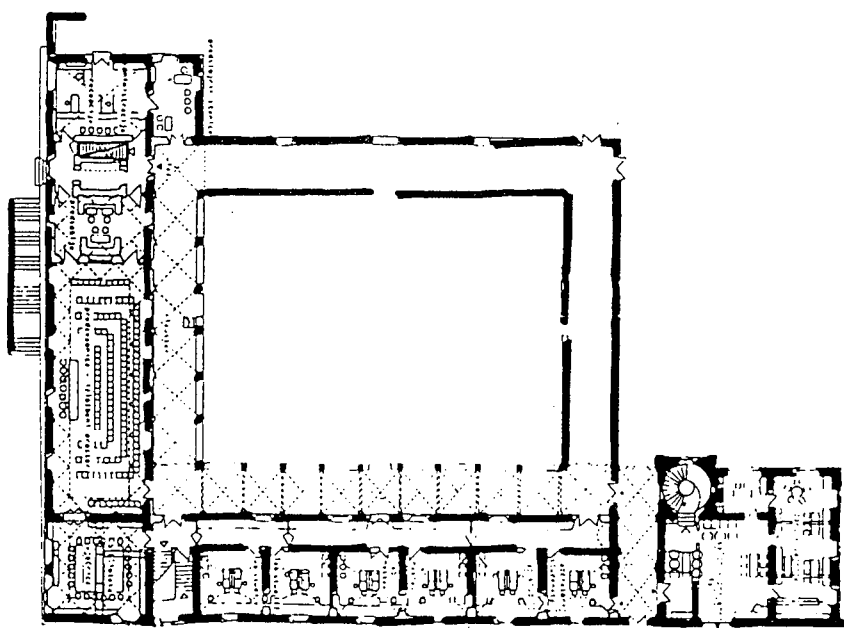
M: Badija Monastery cloister and tower, with finely preserved and articulated arcade colonnettes in the Italian Renaissance style



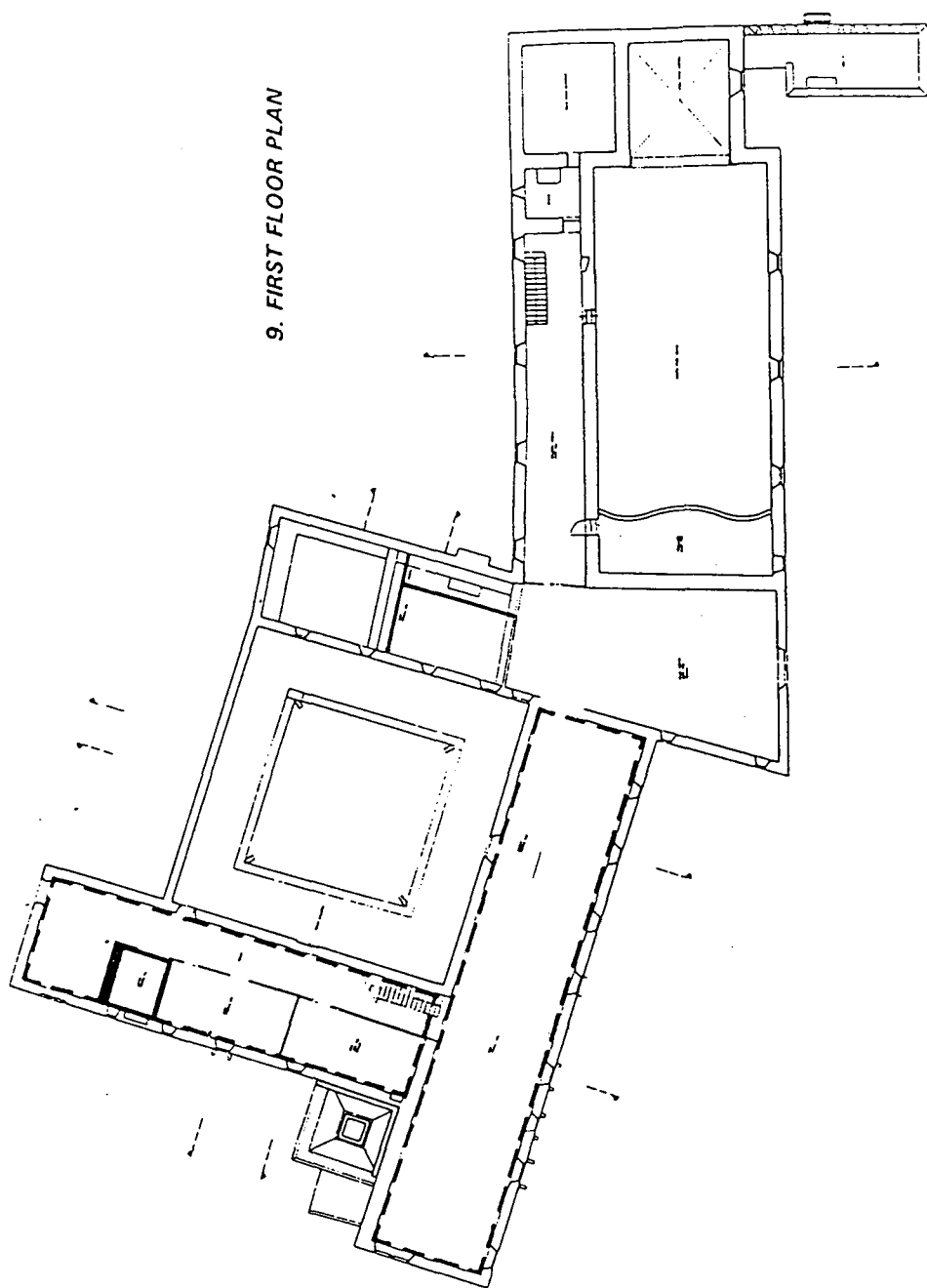
N: Inside the Dubrovnik archives, where World Monuments Fund representatives were shown documents from the Ottoman period of trade and urban development; Mr. Enver Sehovic hopes to record these priceless objects digitally and make them accessible over the Internet according to his plan for a "County Network for Advanced Information Technology"



GROUND-PLAN OF FIRST FLOOR



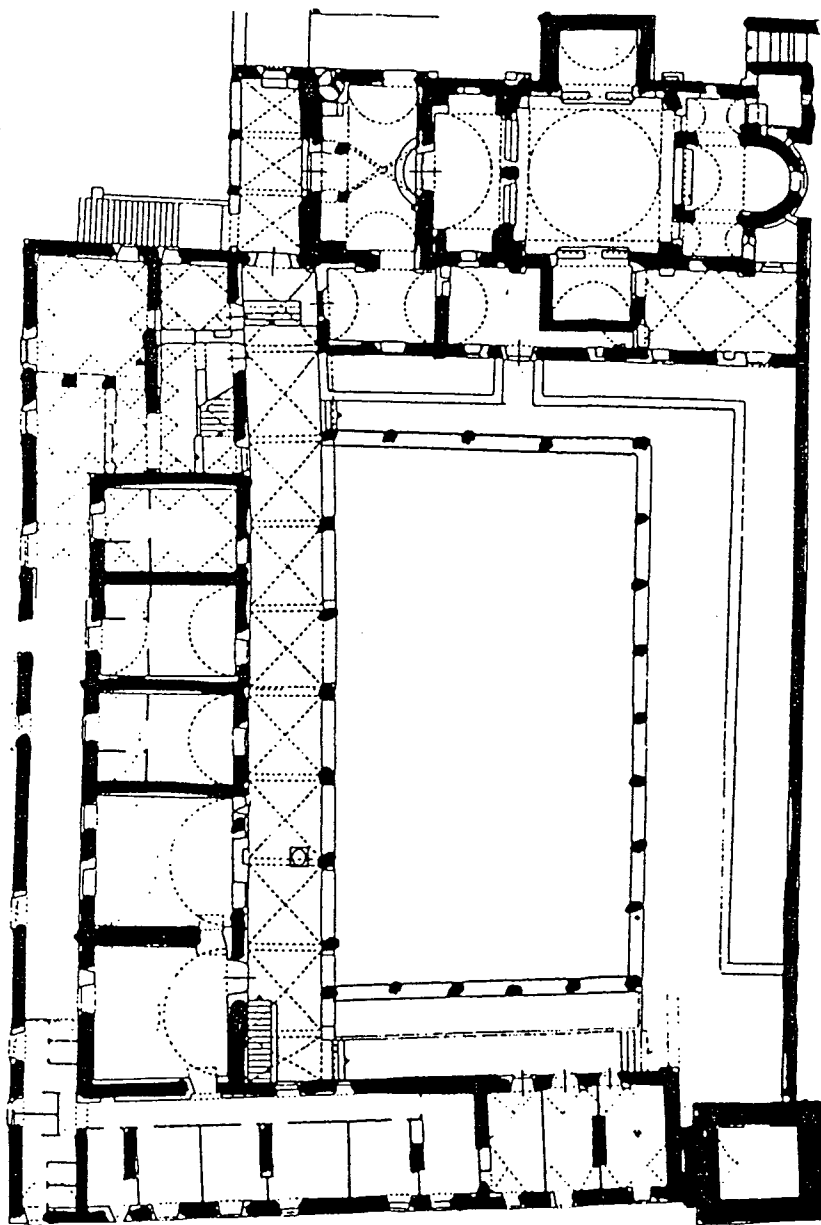
O: Plan views of Benedictine Monastery on Lokrum Island



P: Plan views of Franciscan Monastery on Lopud Island

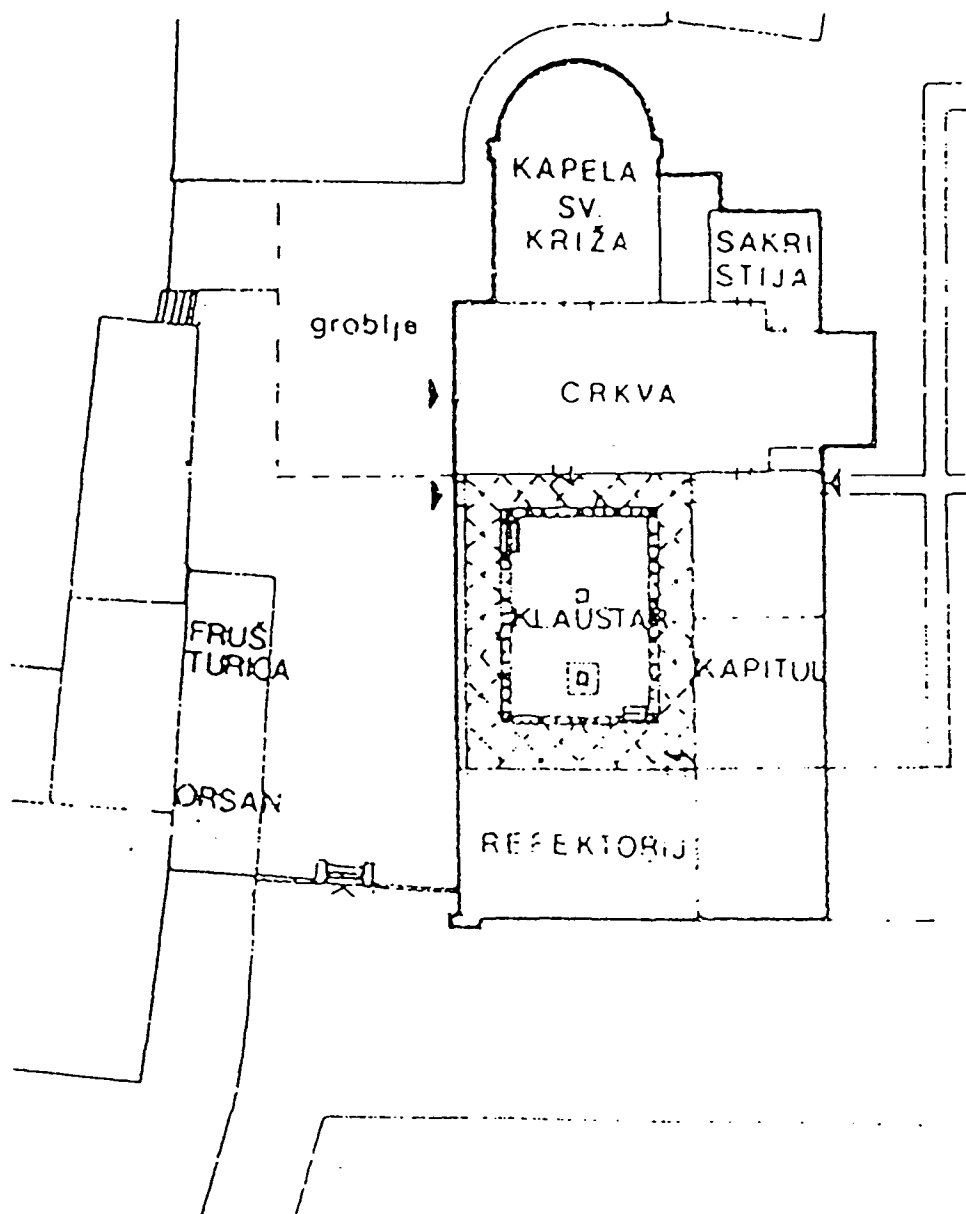


Q: On board: Lord Mayor of Dubrovnik Nicola Obuljen, Prime Minister of Croatia Mr. Zlatko Matesa, and His Royal Highness the Prince of Wales discuss the proposals for the island of Mljet.



R: Plan view of "Melita" Monastery on Mjlet Island





S: Plan view of Franciscan Monastery on Badija Island

## Appendix I: Return on Investment for Reconstruction of the Hafsia Quarter 2, Tunis

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*Facts excerpted from the report following the first international exhibition of The Aga Khan Awards for Architecture, "Architecture for a Changing World," provided by The World Bank.*

Cost and Income record for upgrade and rehabilitation phases, in US \$:

### Expenses

#### *Upgrading component*

Infrastructure/community facilities:	\$1,200,000
Home Improvement loans:	\$1,100,000
Resettlement of displaced households:	\$4,000,000
subtotal:	\$6,300,000
net loss:	\$1,100,000

#### *Rehabilitation Component*

Land acquisition:	\$1,400,000
Construction:	\$4,800,000
subtotal:	\$6,200,000
net profit:	<u>\$3,100,000</u>

total project profit: \$2,000,000

### Revenues

#### *Upgrading component*

Home improvement loans service:	\$1,100,000
Profit-sharing on land sales:	\$1,200,000
Repayment of resettlement loans:	\$1,900,000
subtotal:	\$4,200,000

#### *Rehabilitation component*

Home improvement loans service:	\$1,500,000
Profit-sharing on land sales:	\$7,800,000
subtotal:	\$9,300,000

## Appendix II:

excerpts from the Report of the United Nations Conference on Environment and Development

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### A-21: SUSTAINABLE DEVELOPMENT

12 August 1992

Report Of The United Nations Conference On Environment And Development

(Rio de Janeiro, 3–14 June 1992)

### SECTION I. SOCIAL AND ECONOMIC DIMENSIONS

#### Chapter 2

#### **International Cooperation to Accelerate Sustainable Development in Developing Countries and Related Domestic Policies**

#### INTRODUCTION

2.1. In order to meet the challenges of environment and development, States have decided to establish a new global partnership. This partnership commits all States to engage in a continuous and constructive dialogue, inspired by the need to achieve a more efficient and equitable world economy, keeping in view the increasing interdependence of the community of nations and that sustainable development should become a priority item on the agenda of the international community. It is recognized that, for the success of this new partnership, it is important to overcome confrontation and to foster a climate of genuine cooperation and solidarity. It is equally important to strengthen national and international policies and multinational cooperation to adapt to the new realities.

2.2. Economic policies of individual countries and international economic relations both have great relevance to sustainable development. Their activation and acceleration of development requires both a dynamic and a supportive international economic environment and determined policies at the national level. It will be frustrated in the absence of either of these requirements. A supportive external economic environment is crucial. The development process will not gather momentum if the global economy lacks dynamism and stability and is beset with uncertainties.

Neither will it gather momentum if the developing countries are weighted down by external indebtedness, if development finance is inadequate, if barriers restrict access to markets and if commodity prices and the terms of trade of developing countries remain depressed. The record of the 1980s was essentially negative on each of these counts and needs to be reversed. The policies and measures needed to create an international environment that is strongly supportive of national development efforts are thus vital. International cooperation in this area should be designed to complement and support -- not to diminish or subsume--sound domestic economic policies, in both developed and developing countries, if global progress towards sustainable development is to be achieved.

2.3. The international economy should provide a supportive international climate for achieving environment and development goals by:

- (a) Promoting sustainable development through trade liberalization;
- (b) Making trade and environment mutually supportive;
- (c) Providing adequate financial resources to developing countries and dealing with international debt;
- (d) Encouraging macroeconomic policies conducive to environment and development.

2.4. Governments recognize that there is a new global effort to relate the elements of the international economic system and mankind's need for a safe and stable natural environment. Therefore, it is the intent of Governments that consensus-building at the intersection of the environmental and trade and development areas will be ongoing in existing international forums, as well as in the domestic policy of each country.

### **Developing an Environment/trade and Development Agenda**

2.22. Governments should encourage GATT, UNCTAD and other relevant international and regional economic institutions to examine, in accordance with their respective mandates and competencies, the following propositions and principles:

- (a) Elaborate adequate studies for the better understanding of the relationship between trade and environment for the promotion of sustainable development;
- (b) Promote a dialogue between trade, development and environment communities;

- (c) In those cases when trade measures related to environment are used, ensure transparency and compatibility with international obligations;
- (d) Deal with the root causes of environment and development problems in a manner that avoids the adoption of environmental measures resulting in unjustified restrictions on trade;

## **Encouraging economic policies conducive to sustainable development**

### **Basis for action**

2.31. The unfavorable external environment facing developing countries makes domestic resource mobilization and efficient allocation and utilization of domestically mobilized resources all the more important for the promotion of sustainable development. In a number of countries, policies are necessary to correct misdirected public spending, large budget deficits and other macroeconomic imbalances, restrictive policies and distortions in the areas of exchange rates, investment and finance, and obstacles to entrepreneurship. In developed countries, continuing policy reform and adjustment, including appropriate savings rates, would help generate resources to support the transition to sustainable development both domestically and in developing countries.

2.32. Good management that fosters the association of effective, efficient, honest, equitable and accountable public administration with individual rights and opportunities is an essential element for sustainable, broadly based development and sound economic performance at all development levels. All countries should increase their efforts to eradicate mismanagement of public and private affairs, including corruption, taking into account the factors responsible for, and agents involved in, this phenomenon.

2.33. Many indebted developing countries are undergoing structural adjustment programs relating to debt rescheduling or new loans. While such programs are necessary for improving the balance in fiscal budgets and balance-of-payments accounts, in some cases they have resulted in adverse social and environmental effects, such as cuts in allocations for health care, education and environmental protection. It is important to ensure that structural adjustment programs do not have negative impacts on the environment and social development so that such programs can be more in line with the objectives of sustainable development.

2.34. It is necessary to establish, in the light of the country-specific conditions, economic policy reforms that promote the efficient planning and utilization of resources for sustainable development through sound economic and social policies, foster entrepreneurship and the incorporation of social and environmental costs in resource pricing, and remove sources of distortion in the area of trade and investment.

### **Promoting sound economic policies**

2.35. The industrialized countries and other countries in a position to do so should strengthen their efforts:

- (a) To encourage a stable and predictable international economic environment, particularly with regard to monetary stability, real rates of interest and fluctuations in key exchange rates;
- (b) To stimulate savings and reduce fiscal deficits;
- (c) To ensure that the processes of policy coordination take into account the interests and concerns of the developing countries, including the need to promote positive action to support the efforts of the least developed countries to halt their marginalization in the world economy;
- (d) To undertake appropriate national macroeconomic and structural policies aimed at promoting non-inflationary growth, narrowing their major external imbalances and increasing the adjustment capacity of their economies.

2.36. Developing countries should consider strengthening their efforts to implement sound economic policies:

- (a) That maintain the monetary and fiscal discipline required to promote price stability and external balance;
- (b) That result in realistic exchange rates;
- (c) That raise domestic savings and investment, as well as improve returns to investment.

2.37. More specifically, all countries should develop policies that improve efficiency in the allocation of resources and take full advantage of the opportunities offered by

the changing global economic environment. In particular, wherever appropriate, and taking into account national strategies and objectives, countries should:

- (a) Remove the barriers to progress caused by bureaucratic inefficiencies, administrative strains, unnecessary controls and the neglect of market conditions;
- (b) Promote transparency in administration and decision-making;
- (c) Encourage the private sector and foster entrepreneurship by improving institutional facilities for enterprise creation and market entry. The essential objective would be to simplify or remove the restrictions, regulations and formalities that make it more complicated, costly and time-consuming to set up and operate enterprises in many developing countries;
- (d) Promote and support the investment and infrastructure required for sustainable economic growth and diversification on an environmentally sound and sustainable basis;
- (e) Provide scope for appropriate economic instruments, including market mechanisms, in harmony with the objectives of sustainable development and fulfillment of basic needs;
- (f) Promote the operation of effective tax systems and financial sectors;
- (g) Provide opportunities for small-scale enterprises, both farm and non-farm, and for the indigenous population and local communities to contribute fully to the attainment of sustainable development;
- (h) Remove biases against exports and in favor of inefficient import substitution and establish policies that allow them to benefit fully from the flows of foreign investment, within the framework of national, and developmental goals;
- (i) Promote the creation of a domestic economic environment supportive of an optimal balance between production for the domestic and export markets.

## **Charter of Cultural Tourism**

ICOMOS aims to encourage the safeguard and to ensure the conservation and promotion of monuments and sites--that privileged part of the human heritage.

In this capacity, it feels directly concerned by the effects--both positive and negative--on said heritage due to the extremely strong development of tourist activities in the world.

ICOMOS is conscious that today--even less than theretofore--the isolated effort of any body, however powerful be it in its own sphere, cannot validly influence the course of events. This is why it has attempted to participate in joint reflection with the large world and regional organizations which in one capacity or another share in its preoccupations and which are likely to contribute to the implementation of a universal, coherent and efficacious effort.

The Representatives of these bodies, met in Brussels, Belgium, on 8 and 9 November 1976 at the International Seminar on Contemporary Tourism and Humanism have agreed the following:

### **BASIC POSITION**

1. Tourism is an irreversible social, human, economic and cultural fact. Its influence in the sphere of monuments and sites is particularly important and can but increase because of the known conditions of that activity's development.
2. Looked at in the perspective of the next twenty-five years, in the context of the phenomena of expansion which may have heavy consequences and which confront the human race, tourism appears to be one of the phenomena likely to exert a most significant influence on Man's environment in general and on monuments and sites in particular. In order to remain bearable this influence must be carefully studied, and at all levels be the object of a concerted and effective policy. Without claiming to meet this need in all its aspects, the present approach which is limited to cultural tourism constitutes, it is believed, a positive element in the global solution which is required.
3. Cultural tourism is that form of tourism whose object is, among other aims, the discovery of monuments and sites. It exerts on these last a very positive effect insofar as it contributes--to satisfy its own ends --to their maintenance and protection. This form of tourism justifies in fact the efforts which said maintenance and protection demand of the human community because of the socio-cultural and economic benefits which they bestow on all the populations concerned.



4. Whatever, however, may be its motivations and the ensuing benefits, cultural tourism cannot be considered separately from the negative, despoiling or destructive effects which the massive and uncontrolled use of monuments and sites entails. The respect of the latter, just like the elementary wish to maintain them in a state fit to allow them to play their role as elements of touristic attraction and of cultural education, implies the definition and implementation of acceptable standards.

In any case, with the future in mind, it is the respect of the world, cultural and natural heritage which must take precedence over any other considerations however justified these may be from a social, political or economic point of view.

Such respect cannot be ensured solely by policies regarding the siting of equipment and of guidance of the tourist movements based on the limitations of use and of density which may not be disregarded without impunity.

Additionally one must condemn any siting of tourist equipment or services in contradiction with the prime preoccupation due to the respect we owe to the existing cultural heritage.

## BASIS FOR ACTION

Resting on the foregoing, the bodies representing tourism, on the one hand, and the protection of the natural and monumental heritage, on the other, deeply convinced that the protection and promotion of the natural and cultural heritage for the benefit of the many cannot be ensured unless it be in an orderly fashion, i.e. by integrating cultural assets into the social and economic objectives which are part of planning of the resources of the states, regions and local communities, acknowledge with the greatest interest the measures which each of them states he is prepared to take in his own sphere of influence as expressed in the appendices to the present Declaration, appeal to the will of the states to ensure the fast and energetic implementation of the International Convention for the Protection of the World Cultural and Natural Heritage adopted on 16 November 1972, and of the Nairobi Recommendation, trust that the World Tourist Organization, fulfilling its aims, and UNESCO in the framework of the Convention mentioned above, shall exert all efforts in cooperation with the signatory bodies and all others who in future may rally to ensure the implementation of the policy which the signatory bodies have defined as the only one able to protect Mankind against the effects of tourism's anarchical growth which would result in the denial of its own objectives.

They express the wish that the states by the means of their administrative structures, of tourist operators' organizations, and users' associations, shall adopt all appropriate

measures to facilitate the information and training of persons traveling for tourist purposes inside and out of their country of origin.

Conscious of the acute need which obtains now to change the attitude of the public at large towards the phenomena resulting from the massive development of touristic needs, they express the wish that from school age onwards children and adolescents be educated to understand and respect the monuments, the sites and the cultural heritage and that all written, spoken or visual information media should express to the public the elements of the problem thereby efficaciously contributing to effective universal understanding.

Unanimous in their concern for the protection of the cultural patrimony which is the very basis of international tourism, they undertake to help in the fight initiated on all fronts against the destruction of said heritage by all known sources of pollution; and they appeal to the architects and scientific experts of the whole world so that the most advanced resources of modern technology be used for the protection of monuments.

They recommend that the specialists who shall be called upon to conceive and implement the touristic use of the cultural and the natural heritage should receive training adapted to the multi-faceted nature of the problem, and should be associated from the outset in the programming and performance of the development and tourist equipment plans.

They solemnly declare that their action is to respect and protect the authenticity and diversity of the cultural values in developing regions and countries as in industrialized nations since the fate of Mankind's cultural heritage is of the very same nature everywhere in the face of tourism's likely expansion.

## Appendix IV: ICOMOS Charter on the Conservation of Historic Towns and Urban Areas-- Washington Charter 1987

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The ICOMOS Charter for the Conservation of Historic Towns and Urban Areas is the result of 12 years of study and development by international specialists. The document was adopted at the October 1987 meeting of the ICOMOS General Assembly in Washington, DC, and is known commonly as the "Washington Charter." The terms of the Charter are purposefully broad; internationally, there are many methods of planning and protection for historic urban areas, many ways that urban development may impact on the patterns of post-industrial societies, and this diversity is addressed in the Charter. The text of the Charter follows.

### **Preamble and definitions**

1. All urban communities, whether they have developed gradually over time or have been created deliberately, are an expression of the diversity of societies throughout history.
2. This charter concerns historic urban areas, large and small, including cities, towns and historic centers or quarters, together with their natural and man-made environments. Beyond their role as historical documents, these areas embody the values of traditional urban cultures. Today many such areas are being threatened, physically degraded, damaged or even destroyed, by the impact of the urban development that follows industrialization in societies everywhere.
3. Faced with this dramatic situation, which often leads to irreversible cultural, social and even economic losses, the International Council on Monuments and Sites (ICOMOS) deems it necessary to draw up an international charter for historic towns and urban areas that will complement the "International Charter for the Conservation and Restoration of Monuments and Sites," usually referred to as "The Venice Charter." This new text defines the principles, objectives, and methods necessary for the conservation of historic towns and urban areas. It also seeks to promote the harmony of both private and community life in these areas and to encourage the preservation of those cultural properties, however modest in scale, that constitute the memory of mankind.
4. As set out in the UNESCO "Recommendations Concerning the Safeguarding and Contemporary Role of Historic Areas" (Warsaw- Nairobi, 1976), and also in various other international instruments, "the conservation of historic towns and urban areas" is understood to mean those steps necessary for the protection, conservation and restoration of such towns and areas as well as their development and harmonious adaptation to contemporary life.

## **Principles and objectives**

1. In order to be most effective, the conservation of historic towns and other historic urban areas should be an integral part of coherent policies of economic and social development and of urban and regional planning at every level.
2. Qualities to be preserved include the historic character of the town or urban area and all those material and spiritual elements that express this character, especially:
  - a) urban patterns as defined by lots and streets; b) relationships between buildings and green and open spaces; c) the formal appearance, interior and exterior, of buildings as defined by scale, size, style, construction, materials, color and decoration; d) the relationship between the town or urban area and its surrounding setting, both natural and man-made; and e) the various functions that the town or urban area has acquired over time.

Any threat to these qualities would compromise the authenticity of the historic town or urban area.
3. The participation and the involvement of the residents are essential for the success of the conservation program and should be encouraged. The conservation of historic towns and urban areas concerns their residents first of all.
4. Conservation in an historic town or urban area demands prudence, a systematic approach and discipline. Rigidity should be avoided since individual cases may present specific problems.

## **Methods and instruments**

5. Planning for the conservation of historic towns and urban areas should be preceded by multi-disciplinary studies.

Conservation plans must address all relevant factors including archaeology, history, architecture, techniques, sociology and economics. The principal objectives of the conservation plan should be clearly stated as should the legal, administrative and financial measures necessary to attain them. The conservation plan should aim at ensuring a harmonious relationship between the historic urban areas and the town as a whole. The conservation plan should determine which buildings must be preserved, which should be preserved under certain circumstances and which, under quite exceptional circumstances, might be expendable. Before any intervention, existing conditions in the area should be thoroughly documented. The conservation plan should be supported by the residents of the historic area.

6. Until a conservation plan has been adopted, any necessary conservation activity should be carried out in accordance with the principles and the aims of this Charter and the Venice Charter.
7. Continuing maintenance is crucial to the effective conservation of an historic town or urban area.
8. New functions and activities should be compatible with the character of the historic town or urban area.

Adaptation of these areas to contemporary life requires the careful installation or improvement of public service facilities.

9. The improvement of housing should be one of the basic objectives of conservation.
10. When it is necessary to construct new buildings or adapt existing ones, the existing spatial layout should be respected, especially in terms of scale and lot size.

The introduction of contemporary elements in harmony with the surroundings should not be discouraged since such features can contribute to the enrichment of an area.

11. Knowledge of the history of an historic town or urban area should be expanded through archaeological investigation and appropriate preservation of archaeological findings.
12. Traffic inside an historic town or urban area must be controlled and parking areas must be planned so that they do not damage the historic fabric or its environment.
13. When urban or regional planning provides for the construction of major motorways, they must not penetrate an historic town or urban area, but they should improve access to them.
14. Historic towns should be protected against natural disasters and nuisances such as pollution and vibrations in order to safeguard the heritage and for the security and well-being of the residents.

Whatever the nature of a disaster affecting an historic town or urban area, preventative and repair measures must be adapted to the specific character of the properties concerned.

15. In order to encourage their participation and involvement, a general information programme should be set up for all residents, beginning with children of school age.
16. Specialized training should be provided for all those professions concerned with conservation.

DECLARATION OF THE UNITED NATIONS CONFERENCE  
ON THE HUMAN ENVIRONMENT (1972)

The United Nations Conference on the Human Environment,

Having met at Stockholm from 5 to 16 June 1972,

Having considered the need for a common outlook and for common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment,

I

Proclaims that:

1. Man is both creature and moulder of his environment, which gives him physical sustenance and affords him the opportunity for intellectual, moral, social and spiritual growth. In the long and tortuous evolution of the human race on this planet a stage has been reached when, through the rapid acceleration of science and technology, man has acquired the power to transform his environment in countless ways and on an unprecedented scale. Both aspects of man's environment, the natural and the man-made, are essential to his well-being and to the enjoyment of basic human rights—even the right to life itself.
2. The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world; it is the urgent desire of the peoples of the whole world and the duty of all Governments.
3. Man has constantly to sum up experience and go on discovering, inventing, creating and advancing. In our time, man's capability to transform his surroundings, if used wisely, can bring to all peoples the benefits of development and the opportunity to enhance the quality of life. Wrongly or heedlessly applied, the same power can do incalculable harm to human beings and the human environment. We see around us growing evidence of man-made harm in many regions of the earth: dangerous levels of pollution in water, air, earth and living beings; major and undesirable disturbances to the ecological balance of the biosphere; destruction and depletion of irreplaceable resources; and gross deficiencies, harmful to the physical, mental and social health of man, in the man-made environment, particularly in the living and working environment.

4. In the developing countries most of the environmental problems are caused by under-development. Millions continue to live far below the minimum levels required for a decent human existence, deprived of adequate food and clothing, shelter and education, health and sanitation. Therefore, the developing countries must direct their efforts to development, bearing in mind their priorities and the need to safeguard and improve the environment. For the same purpose, the industrialized countries should make efforts to reduce the gap themselves and the developing countries. In the industrialized countries, environmental problems are generally related to industrialization and technological development.
5. The natural growth of population continuously presents problems for the preservation of the environment, and adequate policies and measures should be adopted, as appropriate, to face these problems. Of all things in the world, people are the most precious. It is the people that propel social progress, create social wealth, develop science and technology and, through their hard work, continuously transform the human environment. Along with social progress and the advance of production, science and technology, the capability of man to improve the environment increases with each passing day.
6. A point has been reached in history when we must shape our actions throughout the world with a more prudent care for their environmental consequences. Through ignorance or indifference we can do massive and irreversible harm to the earthly environment on which our life and well-being depend. Conversely, through fuller knowledge and wiser action, we can achieve for ourselves and our posterity a better life in an environment more in keeping with human needs and hopes. There are broad vistas for the enhancement of environmental quality and the creation of a good life. What is needed is an enthusiastic but calm state of mind and intense but orderly work. For the purpose of attaining freedom in the world of nature, man must use knowledge to build, in collaboration with nature, a better environment. To defend and improve the human environment for present and future generations has become an imperative goal for mankind--a goal to be pursued together with, and in harmony with, the established and fundamental goals of peace and of worldwide economic and social development.
7. To achieve this environmental goal will demand the acceptance of responsibility by citizens and communities and by enterprises and institutions at every level; all sharing equitably in common efforts. Individuals in all walks of life as well as organizations in many fields, by their values and the sum of their actions, will shape the world environment of the future. Local and national governments will bear the greatest burden for large-scale environmental policy and action within their jurisdictions. International co-operation is also needed in order to raise resources to support the developing countries in carrying out their responsibilities in this field. A growing class of environmental problems, because they are regional or global in extent or because they affect the common international realm, will require extensive co-operation among nations and action by international organizations in the common interest. The Conference

calls upon Governments and peoples to exert common efforts for the preservation and improvement of the human environment, for the benefit of all the people and for their posterity.

## II

### Principles

States the common conviction that:

#### Principle 1

Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears a solemn responsibility to protect and improve the environment for present and future generations. In this respect, policies promoting or perpetuating apartheid, racial segregation, discrimination, colonial and other forms of oppression and foreign domination stand condemned and must be eliminated.

#### Principle 2

The natural resources of the earth, including the air, water, land, flora and fauna and especially representative samples of natural ecosystems, must be safeguarded for the benefit of present and future generations through careful planning or management, as appropriate.

#### Principle 3

The capacity of the earth to produce vital renewable resources must be maintained and, wherever practicable, restored or improved.

#### Principle 4

Man has a special responsibility to safeguard and wisely manage the heritage of wildlife and its habitat, which are now gravely imperilled by a combination of adverse factors. Nature conservation, including wildlife, must therefore receive importance in planning for economic development.

#### Principle 5

The non-renewable resources of the earth must be employed in such a way as to guard against the danger of their future exhaustion and to ensure that benefits from such employment are shared by all mankind.

#### Principle 6



The discharge of toxic substances or of other substances and the release of heat, in such quantities or concentrations as to exceed the capacity of the environment to render them harmless, must be halted in order to ensure that serious or irreversible damage is not inflicted upon ecosystems. The just struggle of the peoples of all countries against pollution should be supported.

#### Principle 7

States shall take all possible steps to prevent pollution of the seas by substances that are liable to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea.

#### Principle 8

Economic and social development is essential for ensuring a favourable living and working environment for man and for creating conditions on earth that are necessary for the improvement of the quality of life.

#### Principle 9

Environmental deficiencies generated by the conditions of under-development and natural disasters pose grave problems and can best be remedied by accelerated development through the transfer of substantial quantities of financial and technological assistance as a supplement to the domestic effort of the developing countries and such timely assistance as may be required.

#### Principle 10

For the developing countries, stability of prices and adequate earnings for primary commodities and raw materials are essential to environmental management since economic factors as well as ecological processes must be taken into account.

#### Principle 11

The environmental policies of all States should enhance and not adversely affect the present or future development potential of developing countries, nor should they hamper the attainment of better living conditions for all, and appropriate steps should be taken by States and international organizations with a view to reaching agreement on meeting the possible national and international economic consequences resulting from the application of environmental measures.

#### Principle 12

Resources should be made available to preserve and improve the environment, taking into account the circumstances and particular requirements of developing countries and any costs which may emanate from their incorporating environmental safeguards into their development planning and the need for making available to them, upon their request, additional international technical and financial assistance for this purpose.

#### Principle 13

In order to achieve a more rational management of resources and thus to improve the environment, States should adopt an integrated and co-ordinated approach to their development planning so as to ensure that development is compatible with the need to protect and improve environment for the benefit of their population.

#### Principle 14

Rational planning constitutes an essential tool for reconciling any conflict between the needs of development and the need to protect and improve the environment.

#### Principle 15

Planning must be applied to human settlements and urbanization with a view to avoiding adverse effects on the environment and obtaining maximum social, economic and environmental benefits for all. In this respect, projects which are designed for colonialist and racist domination must be abandoned.

#### Principle 16

Demographic policies which are without prejudice to basic human rights and which are deemed appropriate by Governments concerned should be applied in those regions where the rate of population growth or excessive population concentrations are likely to have adverse effects on the environment of the human environment and impede development.

#### Principle 17

Appropriate national institutions must be entrusted with the task of planning, managing or controlling the environmental resources of States with a view to enhancing environmental quality.

#### Principle 18

Science and technology, as part of their contribution to economic and social development, must be applied to the identification, avoidance and control of environmental risks and the solution of environmental problems and for the common good of mankind.

### Principle 19

Education in environmental matters, for the younger generation as well as adults, giving due consideration to the underprivileged, is essential in order to broaden the basis for an enlightened opinion and responsible conduct by individuals, enterprises and communities in protecting and improving the environment in its full human dimension. It is also essential that mass media of communications avoid contributing to the deterioration of the environment, but, on the contrary, disseminate information of an educational nature on the need to protect and improve the environment in order to enable man to develop in every respect.

### Principle 20

Scientific research and development in the context of environmental problems, both national and multinational, must be promoted in all countries, especially the developing countries. In this connexion, the free flow of up-to-date scientific information and transfer of experience must be supported and assisted, to facilitate the solution of environmental problems; environmental technologies should be made available to developing countries on terms which would encourage their wide dissemination without constituting an economic burden on the developing countries.

### Principle 21

States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.

### Principle 22

States shall co-operate to develop further the international law regarding liability and compensation for the victims of pollution and other environmental damage caused by activities within the jurisdiction or control of such States to areas beyond their jurisdiction.

### Principle 23

Without prejudice to such criteria as may be agreed upon by the international community, or to standards which will have to be determined nationally, it will be essential in all cases to consider the systems of values prevailing in each country, and the extent of the applicability of standards which are valid for the most advanced countries but which may be inappropriate and of unwarranted social cost for the developing countries.

#### Principle 24

International matters concerning the protection and improvement of the environment should be handled in a co-operative spirit by all countries, big and small, on an equal footing. Co-operation through multilateral or bilateral arrangements or other appropriate means is essential to effectively control, prevent, reduce and eliminate adverse environmental effects resulting from activities conducted in all spheres, in such a way that due account is taken of the sovereignty and interests of all States.

#### Principle 25

States shall ensure that international organizations play a co-ordinated, efficient and dynamic role for the protection and improvement of the environment.

#### Principle 26

Man and his environment must be spared the effects of nuclear weapons and all other means of mass destruction. States must strive to reach prompt agreement, in the relevant international organs, on the elimination and complete destruction of such weapons.

21st plenary meeting 16 June 1972

### **Financial Resources and Mechanisms**

#### Conferences On Financing Sustainable Development:

The World Bank hosted a series of meetings in Washington, DC, on the issue of finance. The first, "Servicing Innovative Financing of Environmentally Sustainable Development (ESD)," was held from 2–4 October 1995, in cooperation with the Earth Council. The second meeting, on "Effective Financing of Environmentally Sustainable Development," was held from 4–6 October 1995. Other related meetings dealt with ethics and spiritual values, accounting for nature, monitoring environmental progress, and sustainability and self-empowerment.

More than 1,400 people attended the Conferences, including leaders of governments, NGOs, businesses and international institutions, as well as noted scholars, financiers and social and ethical thinkers. On 5 October, four thematic and four regional roundtables were held on effective financing for ESD. The thematic roundtables examined cross-cutting concerns of environment and health, global ESD programmes, private sector participation, and resource conservation, science and policy. The regional roundtables explored area-specific and global issues linking environment and development, including poverty, the effects of debt, community participation and urban pollution.

For more information, contact Ms. Joan Martin Brown at the World Bank, tel: +1-202-473-2310; fax: +1-202-473-3112; e-mail: martinbrown@worldbank.org

### **Integrating Environment and Development in Decision-Making**

#### African Regional Meeting of National Councils for Sustainable Development:

The second regional meeting of national sustainable development councils was held in Africa from 26-27 May 1995. The meeting was organized by the Earth Council, hosted by UNEP and co-sponsored by UNDP, UNEP and the DPCSD. The first regional meeting of national councils was held in Costa Rica in October 1994, involving the national councils of the Western hemisphere.

The meeting, jointly chaired by Maurice Strong (Chair, Earth Council) and Arba Diallo (Executive Secretary, Desertification Convention), included representatives from 28 countries and numerous NGOs. The presentations and the subsequent discussions indicated further need to emphasize approaches that build on the existing African experiences rather than adopting a standard national councils formula "imposed by the North." For more information,

contact the Earth Council, tel: +506-256-1611; fax: +506- 255-2197; e-mail: [ecouncil@igc.apc.org](mailto:ecouncil@igc.apc.org).

#### Asian Regional Meeting Of National Councils For Sustainable Development:

The Earth Council and the Philippine Council for Sustainable Development hosted this meeting of National Councils for Sustainable Development in Asia and the Pacific from 18-19 June 1995 in Manila. There were 80 participants from 22 countries and 10 international organizations.

Common concerns included: (a) poverty, rapid population growth, social and economic inequity and poor access to basic needs and services; (b) resource depletion and degradation; (c) weak institutional structures for planning and implementing sustainable development initiatives; and (d) adverse impacts of trade, debt and other global issues on the economies of developing countries.

Participants agreed that multi-stakeholders must be involved in decision-making, planning and implementation of sustainable development activities, particularly planning at the national and local levels. They also agreed to collaborate in the strengthening of a network or even the formation of a federation of national councils for sustainable development in the Asia-Pacific region to share information, plan projects, identify areas/activities for funding assistance by donor institutions, formulate unified positions and resolve conflicts. For information, contact the Earth Council, tel: +506-256-1611; fax: +506-255-2197; e-mail: [ecouncil@igc.apc.org](mailto:ecouncil@igc.apc.org).

#### **Information for Decision-Making**

##### Second Expert Group Meeting On Indicators:

The second Expert Group Meeting on sustainable development indicators took place in New York from 25-26 July 1995. The meeting, which was organized by the DPCSD Division for Sustainable Development, brought together experts from UN organizations as well as intergovernmental and non-governmental organizations that are active in this field. The meeting produced a joint plan of implementation of the work programme adopted by the CSD in April 1995. The plan includes collaborative efforts to develop "methodology sheets" for each of the indicators identified in the work programme. Other parts of the work plan include: capacity building and training activities at the regional level; development of a roster of indicator experts; testing and monitoring of progress achieved in a few selected countries; and further development of indicators of sustainable development. For more information, contact Mr. Lars Mortenson, DPCSD, tel: +1-212-963-8805; fax: +212-963-1267; e-mail: [mortensen@un.org](mailto:mortensen@un.org).

## Scientific Workshop on Indicators for Sustainable Development:

This workshop, co-sponsored by the German Ministry of Environment, Nature Conservation and Nuclear Safety, UNEP, the European Commission, the Wuppertal Institute for Climate, Environment and Energy, and the Scientific Committee on Problems of the Environment (SCOPE), was held in Wuppertal, Germany, from 15-17 November 1995. The workshop built upon a previous SCOPE workshop held in Ghent, Belgium in January 1995. The focus of this workshop shifted from the users' needs to the scientific and academic issues underlying sustainable development indicators. The workshop addressed sustainable development indicators as well as the economic, social, institutional, and environmental systems underlying them. The workshop also examined ongoing and new approaches to aggregation of indicators as well as the issue of data production and availability.

## International Legal Instruments And Mechanisms

### Expert Group Meeting On International Law And Sustainable Development:

Twenty-eight international law experts participated in this meeting, which was sponsored by DPCSD and was held from 26-28 September 1995 in Geneva. The participants identified a set of basic principles, considered possible classifications and assessed their potential practical implications in a legal text. The expert group focused on the Rio Declaration, Agenda 21 and other legal instruments that have been negotiated or have entered into force since 1992.

For more information, contact Barbara Ruis, DPCSD, tel: +1-212-963-2137; fax: +1-212-963-1267; e-mail: [ruis@un.org](mailto:ruis@un.org)

The Republic of Bosnia and Herzegovina , the Republic of Croatia and the Federal Republic of Yugoslavia (the "Parties"),

Recognizing the need for a comprehensive settlement to bring an end to the tragic conflict in the region,

Desiring to contribute toward that end and to promote an enduring peace and stability,

Affirming their commitment to the Agreed Basic Principles issued on September 8, 1995, the Further Agreed Basic Principles issued on September 26, 1995, and the cease-fire agreements of September 14 and October 5, 1995,

Noting the agreement of August 29, 1995, which authorized the delegation of the Federal Republic of Yugoslavia to sign, behalf of the Republika Srpska, the parts of the peace plan concerning it, with the obligation to implement the agreement that is reached strictly and consequently,

Have agreed as follows:

Article I The Parties shall conduct their relations in accordance with the principles set forth in the United Nations Charter , as well as the Helsinki Final Act and other documents of the Organization for Security and Cooperation in Europe. In particular, the Parties shall fully respect the sovereign equality of one another, shall settle disputes by peaceful means, and shall refrain from any action, by threat or use of force or otherwise, against the territorial integrity or political independence of Bosnia and Herzegovina or any other State.

Article II The Parties welcome and endorse the arrangements that have been made concerning the military aspects of the peace settlement and aspects of regional stabilization, as set forth in the Agreements at Annex 1-B. The Parties shall fully respect and promote fulfillment of the commitments made in Annex 1-A, and shall comply fully with their commitments as set forth in Annex 1-B.

Article III The Parties welcome and endorse the arrangements that have been made concerning the boundary demarcation between the two Entities, the Federation of Bosnia and Herzegovina and Republika Srpska, as set forth in the Agreement at Annex 2 . The Parties shall fully respect and promote fulfillment of the commitments made therein.



Article IV The Parties welcome and endorse the elections program for Bosnia and Herzegovina as set forth in Annex 3. The Parties shall fully respect and promote fulfillment of that program.

Article V The Parties welcome and endorse the arrangements that have been made concerning the Constitution of Bosnia and Herzegovina, as set forth in Annex 4. The Parties shall fully respect and promote fulfillment of the commitments made therein.

Article VI The Parties welcome and endorse the arrangements that have been made concerning the establishment of an arbitration tribunal, a Commission on Human Rights, a Commission on Refugees and Displaced Persons, a Commission to Preserve National Monuments, and Bosnia and Herzegovina Public Corporations, as set forth in the Agreements at Annexes 5-9. The Parties shall fully respect and promote fulfillment of the commitments made therein.

Article VII Recognizing that the observance of human rights and the protection of refugees and displaced persons are of vital importance in achieving a lasting peace, the Parties agree to comply fully with the provisions concerning human rights set forth in Chapter One of the Agreement at Annex 6, as well as the provisions concerning refugees and displaced persons set forth in Chapter One of the Agreement at Annex 7.

Article VIII The Parties welcome and endorse the arrangements that have been made concerning the implementation of this peace settlement, including in particular those pertaining to the civilian (non-military) implementation, as set forth in the Agreement at Annex 10, and the international police task force, as set forth in the Agreement at Annex 11. The Parties shall fully respect and promote fulfillment of the commitments made therein.

Article IX The Parties shall cooperate fully with all entities involved in implementation of this peace settlement, as described in the Annexes to this Agreement, or which are otherwise authorized by the United Nations Security Council, pursuant to the obligation of all Parties to cooperate in the investigation and prosecution of war crimes and other violations of international humanitarian law.

Article X The Federal Republic of Yugoslavia and the Republic of Bosnia and Herzegovina recognize each other as sovereign independent States within their international borders. Further aspects of their mutual recognition will be subject to subsequent discussions.

Article XI This Agreement shall enter into force upon signature. DONE at Paris, this day of , 1995, in the Bosnian, Croatian, English and Serbian languages, each text being equally authentic.

"Croatian Economy Stalled In Limbo Between War And Peace"

From: C-reuters@clarinet.com (Reuter / Erik Kirschbaum)

Subject: Croatian economy stalled in limbo between war and peace

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Date: Thu, 26 Jan 95 22:10:16 PST

ZAGREB, Jan 27 (Reuters) - Peace hasn't arrived in Croatia even though the war ended three years ago.

The battle-ravaged economy has been steadied after a frightful nose-dive to half its pre-war level and ruinous hyperinflation has been stifled, but much of Croatia's industry and infrastructure lies rusting in ruins and investment from abroad remains anaemic.

With so much in limbo, it's hard to find anyone optimistic about the near-term economic prospects for Croatia, a horseshoe-shaped nation of 4.8 million lying to the north and west of war-plagued Bosnia.

Three years after fighting its own six-month war for independence from Yugoslavia, Croatia is waiting for the nightmare to end, hopeful that the end of fighting will bring waves of foreign investors and the long-coveted prosperity.

But with the 12,000 United Nations troops set to leave Croatia in the spring and a third of the country still occupied by rebel Serbs, there is an ominous sense that there will be more war before there is any peace.

"The trouble is that this is neither peace nor war," said deputy prime minister Borislav Skegro in a recent interview, echoing a sentiment heard frequently among government and business leaders here.

"There's been a prolonged period of uncertainty related to the war risk and the general atmosphere," he said. "But in the last year we've been able to stabilise the economy. Once there are definite solutions (to end the war in Bosnia) we will see a lot more investors."

Croatia was, after tiny Slovenia, the most economically advanced republic in federal and socialist Yugoslavia.

Indeed, its bid for independence was in part fuelled by hopes that it could quickly rebuild its long lost trading links with western Europe once it had unshackled itself from the underdeveloped southern Yugoslav republics.

But optimism of a flourishing economy has long since faded. Key transport links are severed, war damage to industry and infrastructure has soared to \$20 billion and traditional markets in Yugoslavia have disappeared.

The Serb occupation and lingering threat of war have also hindered reconstruction and deterred foreign investment.

"Croatia's economic performance has declined by some 46 percent since 1989," said Verena Dietrich, an economist at Bank Austria in Vienna. "It has been

particularly hard hit by the destruction caused by the war and the ongoing occupation of its territory."

Ostensibly, Croatia's economy is now relatively stable.

-- Inflation, which soared near 1,200 percent in 1993, was wiped out with a draconian government austerity programme and consumer prices actually fell three percent year-on-year at the end of 1994. The International Monetary Fund (IMF) recently said Croatia's battle against inflation had been "remarkable."

-- The country's currency, the kuna, has appreciated against the German mark and dollar in the last year. In a telling indication of the currency's strength rarely seen in Eastern Europe, taxi drivers and merchants will try to get rid of their marks as change for large kuna notes.

-- Gross domestic product (GDP) is expected to grow by seven percent in 1995 to \$15 billion after expanding 3.5 percent in 1994. GDP fell from near \$16 billion in 1990 to \$12 billion in 1993.

-- The federal government posted a small budget surplus last year. Through consolidation and higher taxes, it wiped out massive defence-related deficits between 1990 and 1992.

-- Revenues from the key tourism sector, which makes up 10 percent of GDP, nearly doubled to \$1.3 billion in 1994, although that was still half the pre-war level of \$2.5 billion.

-- Foreign exchange reserves at the central bank jumped to \$1.4 billion from zero three years ago and the country had a current account surplus equal to three percent of GDP in 1994.

But trouble lurks just beneath the surface. Unemployment is near 20 percent even though many state-owned firms have yet to be restructured, and despite prices at or above western European levels, the average monthly wage is a mere \$250.

Direct foreign investment has been minimal and is falling. It amounted to just 193 million marks (\$126 million) in the 1994 first half, down from 476 million marks (\$311 million) in all of 1993 and 617 million marks (\$403 million) in 1992.

Also, as Croatia was one of the more prosperous republics of former Yugoslavia, creditors are anxious to pin a greater share of Yugoslav debt on it. Croatia owes \$2.8 billion and will be saddled with further debt once obligations are divided.

"The economy has been stabilised, but not at a very high level," conceded Finance Minister Bozo Prka. "People had to suffer a little bit. You cannot have economic reform without such a philosophy. Our infrastructure and many factories are still very much damaged."

## "Mediterranean Ministers Plan Greater Cooperation"

From: C-reuters@clarinet.com (Reuters)

Subject: Mediterranean ministers plan greater cooperation

Date: Tue, 1 Nov 94 7:40:23 PST

TUNIS, Nov 1 (Reuter) - Environment ministers from 17 Mediterranean countries meeting in Tunis on Tuesday adopted a framework for regional cooperation.

The conference adopted three documents: a declaration on sustainable development in the Mediterranean Basin, a declaration on the creation of a Mediterranean Coastline Conservancy and an agenda called "Med 21" which discusses the need for sustainable development into the next century.

In the declaration on development, the ministers "commit themselves to promoting consideration of sustainable development, working to mobilise the necessary resources and means for sustainable development and pooling efforts by encouraging economic and social partnerships".

In a declaration on creation of a Mediterranean Coastline Conservancy, the ministers "invite the contracting parties for the protection of the Mediterranean Sea...to consider the appropriate mechanisms of collaboration, expertise and exchange of information in the field of land policy and management of the coastal areas".

The countries represented at the meeting were Algeria, Bosnia-Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Malta, Monaco, Morocco, Palestine, Slovenia, Spain, Tunisia, Turkey.

Syria, Lebanon and Libya boycotted the meeting attended by Israeli Environment Minister Yossi Sarid who sat with the Israeli flag on his table, four seats far from his Palestinian counterpart, Soltane Sufiene, Secretary of state for environment in the Palestinian authority.

An environmental activist who attended the conference said it had not taken concrete action to change the situation.

"The situation in the Mediterranean is worsening...Time is not for celebration, it is for action...(and) unfortunately, this conference does not provide us with signs of change," Roberto Ferrigno, from Greenpeace International, told Reuters.

## Appendix IX: Chronology Of Events -- Dubrovnik

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c.614.....	refugees from Epidaurum and Salona settled on Ragusa island
7th C .....	foundations of old town
7–9 C.....	island filled and wall built to surround it
10–11 C.....	canal between the island and the land filled; walls reach to Srd
1023 .....	segregation of the town into patricians and commoners
1181 .....	first mention of the Dubrovnik city-state
1204 .....	with the fall of Constantinople, Byzantine sovereignty ceased
1232 .....	Venice dominated Dalmatia and forces allegiance
1272 .....	Statue for urban planning created for medieval structure
1296 .....	fire resulted in a detailed urbanistic plan for inside the walls
1348 .....	Black Plague strikes population
1438 .....	the big Onofrio fountain built by an Italian engineer
1446 .....	main clock tower built by local masons according to the decree of the government of Dubrovnik; big bell cast in 1508 by Master Jean d'Arbe; rebuilt in 1928; damaged in 1979 earthquake; strengthened in 1988
c. 1450.....	many consulates throughout the Mediterranean: Italy, Malta
1456–1469 .....	town craftsmen build the Dominican Monastery, late Gothic
1507 .....	fell under protection of Spanish King Ferdinand, with free trade
1580–1600 .....	merchant marine trade strong; fleet throughout the world; 50 consulates in the Mediterranean, 36 in Italy, 3 in France, 4 in Spain, 6 in Turkey, 1 on Malta; manual of penal law codified
15th and 16th C .....	golden age of Renaissance architecture
1667 .....	terrible earthquake demolished Dubrovnik; fire destroyed whatever was left standing; town recovered thanks to the trade which was still carried on by ships anchored in foreign ports, and through donations from citizens living all over the world; the extensive damaged opened up the main street to its present width and allowed for the subsequent regulation of uniform palace facades along its length, which were constructed beginning in 1668
1683–1699 .....	threatened by Venice again, Dubrovnik recognized the sovereignty of both the Austrian Emperor Leopold and of Turkey

1706.....	construction of the baroque church of St. Blaise by Marino Gropelion the site of an ancient gothic church
1776.....	Dubrovnik merchants offer clandestine material aid to American revolutionaries battling Britain
c. 1780 .....	Dubrovnik sends ships into the Black Sea and to ports as distant as Philadelphia, Baltimore, and New York
1806–8.....	Dubrovnik is occupied and subordinated by the French; Marshal Marmont becomes "Duke of Dubrovnik"
1811.....	Dubrovnik becomes a separate civil province within the Illyrian Provinces
1814.....	Dubrovnik is occupied by the British and, at the Congress of Vienna, integrated into the Kingdom of Dalmatia and annexed to Austria, where it remained until 1918
1848.....	Dubrovnik intellectuals lead struggle for autonomy and unification: a federal system for the Hapsburg territories, where Dalmatia is part of Croatia, which is part of a 'Slavic brotherhood'
1851 .....	Central Commission for Research and Maintenance of Cultural Monuments organized in Vienna to serve the Austrian Empire, which then included Croatia
1865.....	new industry in place of failed merchant marine trade: oil, soap, pasta, ceramics, candles, tobacco, Ston salt works
1898.....	opening of the Hotel Imperial and other luxury hotels spurs tourist trade
1918.....	Croatian Assembly severs ties with Austria-Hungary; the Kingdom of Serbs, Croats and Slovenes is created with Belgrade as a capitol city
1920.....	Communist party wins majority in elections for the Constituent Assembly
1929.....	Kingdom of Serbs, Croats and Slovenes becomes Kingdom of Yugoslavia, divided into 8 large districts
c. 1938 .....	vital industries: pasta, paint, ship furnishings, ice, winery, tin containers, sardines, salt, distilleries of rosemary and bay leaves, tobacco, electric power plant;
	48 hotels, inns, and pensions supporting 58,000 tourists annually
1941 .....	Kingdom of Yugoslavia capitulates to Axis powers, and Croatia is occupied by Italy
1944.....	Croatia is liberated

1945 .....	Communists win an absolute majority, and private firms (including the tourist trade and transport industries) were passed to the state; Department for the Protection of Historic Monuments founded, which was later to become Zagreb's Institute for the Protection of Cultural Monuments of the Ministry of Culture and Education, with regional directorates in Osijek, Zagreb, Rijeka, and Split and autonomous institutes in Varazdin, Zagreb, Karlovac, Zadar, Sibenik, Split, and Dubrovnik
1954 .....	passage of the <i>Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict</i> , with Yugoslavia as a state party
1963 .....	Yugoslavia became the Socialist Federal Republic of Yugoslavia, a federal state of 'freely associated and equal nations'; Croatia is one of the republics
1967 .....	Law for the Protection of Historic Monuments passed; regional institutes for the protection of monuments established
1971 .....	founding of the College of Tourism and Foreign Trade
1972 .....	passage of <i>The World Heritage Convention</i> by UNESCO, with Yugoslavia as a state party
1976 .....	Dubrovnik awarded the Golden Medal of Europe for preservation of cultural artifacts and monuments
1979 .....	on April 15 the town is struck by an earthquake which damages many buildings and cultural-historical monuments; UNESCO Register of World Heritage sites
1982 .....	Dubrovnik hosts 354,000 tourists annually
1986 .....	the Croatian Parliament establishes the Law on the Renewal of Dubrovnik's Endangered Architectural Heritage
1990: 4/22 .....	44% of Croatian voters support the Croatian Democratic Union (HDZ) and 25% support the Communists (Party of Democratic Change) in federal referendum
1991: autumn .....	93% of voters in the Republic of Croatia support a free and sovereign Croatian state; beginning of war with the JNA
1991 .....	Service for Protection of Cultural Monuments and Monuments Protection Act passed
1991: 10/23 .....	first bomb raid
1991: 11/8 .....	second bomb raid
1991: 12/6 .....	third bomb raid

1991: end .....	Register of Endangered World Cultural Heritage
1992 .....	Parliament of the Republic of Croatia passes the Resolution on the Postwar Reconstruction of Croatian Cultural Heritage and founds the Fund for the Reconstruction of Croatian Cultural Monuments
1992: 5/25 .....	fourth bomb raid
1992: 6/1–23 .....	fifth bomb raid
1992 .....	the blockade of the walled town is lifted in August after a Croatian counter-offensive; permanent cease-fire agreement signed with Serbian-led Yugoslavian forces bringing an official end to the war
1992: 11/23 .....	University of York Post-War Reconstruction and Development Unit conference: "Post-War Reconstruction and Conservation in Croatia"
1993: .....	New law on revitalization and privatization passed in Croatia
1994: 10/26 .....	Serbian President Slobodan Milosevic changes tactics by quietly telling rebel Serbs in the breakaway Croatian enclave of Krajina to settle for regional autonomy under the Zagreb government
1994: 11/9 .....	Study Center for Reconstruction and Development hosts an international workshop, "Settlement Reconstruction in Croatia"
1994: 12/26 .....	the World Bank pledges to give Croatia a \$40 million loan to be effectuated in 1995
1994: 12/29 .....	Croatia's parliament passes a record 28.6 billion kuna (almost \$5 billion) 1995 budget which focuses on defending and rebuilding the war-damaged country
1995: 1/12 .....	disregarding pleas from the United States, Germany and other allies, President Franjo Tudjman announces to the United Nations his intention to end the mandate of more than 12,000 U.N. troops in stationed there as of March 31
1995: 5/1 .....	Croatian forces attack Serbian enclave in northeastern city of Jasenovac, threatening to enkindle larger civil war with the Krajina's self-proclaimed Knin Republic; later, the Croatian forces meet little resistance in the area and recover all former territories except eastern Slavonia
1995: 9/8 .....	Dayton Agreement officially ends hostilities with Serbian/Montenegrin forces in Croatia, followed by a tripartite peace signing later in Paris by Croatian, Bosnian, and Serbian heads of State



1996: 5/28–31 ..... "Financing Cultural and Natural Heritage and Sustainable Development" international conference, Dubrovnik

Follow-up revitalization planning meeting with the Prince of Wales on the island of Mljet on August 14

The Dubrovnik conference entitled “Financing Cultural / Natural Heritage and Sustainable Development” and subsequent island trips in late May resulted in a follow-up site visit on August 14, 1996 to the Benedictine monastery and National Park on the island of Mljet, attended by the Prime Minister of Croatia Mr. Zlatko Matesa, Minister of Tourism Mr. Niko Bulic, and other local and foreign dignitaries, including His Royal Highness the Prince of Wales.

The special trip was a direct result of strong interest generated for the Mljet site and the comprehensive planning strategies discussed previously in Dubrovnik during the May conference. In order to facilitate concrete thinking on the prospects for Mljet’s future and the adaptive reuse of the monastery, this second exploratory mission was organized by John Thompson Associates, the Prince of Wales’ Project Office in London, the Office of Protocol of the Croatian Government, the British Embassy in Zagreb, and the Save Dalmatia Foundation in Dubrovnik.



*H.R.H. the Prince of Wales discussing investment and conservation strategies for the island of Mljet with (left to right): Vikas Thapar of the International Finance Corporation in Prague, Mr. Reinhard Rade of Baubetreuung in Mitteldeutschland, John Stubbs of the World Monuments Fund in New York, and Francesca Thyssen von Hapsburg of the Arch Foundation in Switzerland.*

As a result of this visit and focused discussion, John Stubbs and Sylvia Gottwald-Thapar have proposed the founding of a local not-for-profit preservation organization dedicated to islands development to be called "The Save Dalmatia Heritage Trust." This Trust would examine the problem of preserving and developing the island resources—both cultural and natural—in a comprehensive way. A pilot project to be undertaken by this organization will be outlined for the island monastery of Mljet, testing the effectiveness of a centralized administrative structure serving all the coastal islands.

The proposed Trust's objectives include promotion sensitive development, linking Croatian government agencies and foreign sources of expertise and funding, developing guidelines for the sensitive re-use and modification of historic sites, fostering education and training throughout the development process, and serving as an information clearing house for historic sites in the region.



*Architect John Thompson of the U.K. discussing a proposed management framework for conservation and appropriate tourism development with His Royal Highness the Prince of Wales en route to Mljet, August 1996.*

This trip brought together heads of state, foreign investors, local ministers and experts in preservation to explore the potentials and hazards of development on the island of Mljet, which is among the most beautiful and unspoiled of all the coastal islands of the southern Adriatic. The gathering demonstrates the potential of meetings like the one in Dubrovnik to kindle interest and excitement about a historic site threatened both by neglect and by insensitive development.

It is hoped that this effort and interest will be followed by similar initiatives dedicated to the preservation and prosperity of the islands through the success of the Dubrovnik-Neretva County Island Revitalization Trust.

## SUMMARY OF PRESENTATIONS AND EVENTS

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Tuesday, May 28 1996

### *opening remarks*

Mr. Niko **Obuljen**  
Lord Mayor of Dubrovnik

Mr. John **Thompson**  
Prince of Wales Project Office  
"Greetings from H.R.H."

### *sponsors' perspective*

Mr. John **Stubbs** (for Bonnie Burnham)  
World Monuments Fund  
"Cultural Heritage Conservation: Case Studies From WMF"

Mr. Jan **Hartke**  
EarthKind International  
"Sustainable Tourism and Development: the next Revolution"

### *session one: National Strategies for Cultural and Natural Heritage*

Ms. Seadeta **Midzic**  
Deputy Minister of Culture, Croatia  
"Management of Cultural Heritage"

Ms. Radica **Tonko**  
Director of the State Agency for Physical Planning  
"Integrating Heritage into the Planning Process"

Ana **Ivkovic** (for Ferdinand Meder)  
Senior Advisor for the State Agency for Protection of Cultural and Natural Heritage  
"Protection, Conservation, and Adaptive Re-Use of Historic Monuments"

Ratimir **Zimmerman**  
Advisor, Ministry of Physical Planning, Building, and Housing, Croatia  
"National Physical Planning Strategy for Adriatic Islands' Development"

Mrs. Antonieta **Pozar-Domac**

PMF, Dept. of Zoology, Zagreb

"Preserving Biodiversity During Development Of A Non-Destructive Tourism"

Ms. Pave **Ruskovic**

ATLAS

"Overview Of Atlas: Activities During And After The War"

*Lunch Break*

*session 2: Sustainable Financing Mechanisms*

Mr. Niko **Bulic**

Minister of Tourism, Republic of Croatia

"Croatia: Future Prospects for Sustainable Tourism"

Mr. Ismaïl **Serageldin**

Vice President, Environmentally Sustainable Development, The World Bank

"Financing Cultural Heritage and Sustainable Development"

Mr. Marko **Skreb**

Governor, National Bank of Croatia

"Financing Mechanisms for Cultural Heritage"

Mr. Marc **Mogull**

Director for Property and Tourism, EBRD, London

"Role of EBRD in Development of Tourism"

Mr. Vikas **Thapar**

Chief, International Finance Corporation, Cent. Euro. Mission, Prague

"Financing Infrastructure Improvements--the Role of the Private Sector"

Ms. Joan **Martin-Brown**

Advisor to the Vice President, World Bank, Washington DC

"Innovative Financing of Environmentally Sustainable Development"

*press conference*

Wednesday, May 29 1996

*session three: Resources Management Issues and Infrastructure Improvement Needs in Dubrovnik-Neretva County*

**Mr. Andrija Randic**

Director, State Agency for Protection of Cultural and Natural Heritage, Croatia  
"The Croatian Adriatic Coastal Zone Management Plan"

**Zrinka Rudez**, facilitator

Director, County Planning Office, Dubrovnik  
"Physical Planning Strategy for Sustainable Tourism"

**Mr. Vladimir Depolo**

Judge, Law Courts, Korcula  
"Institutional and Legal Framework and Illegal Construction"

**Mr. Vjekoslav Vierda**

Director, Institute for Restoration  
"Cultural Heritage Conservation and Adaptive Reuse"

**Mr. Romano Duic**

Department of Physical Planning, Housing, and Municipal Services, Construction and Environmental Protection  
"Technical Infrastructure in the County of Dubrovnik and Neretva: Problems, Obstacles, and Needs"

**Mr. Enver Schovic**

University of Zagreb  
"Advanced Information Technologies and Development of the Dubrovnik Region-- Proposal for a Pilot Project"

**Mr. Thomas Gilbert**

President, GeoHistory, Inc., New York  
"Demonstration of Balkans Multimedia Database: Presentation of Potentials"

*session four: Cultural and Natural Heritage Resources in Dubrovnik-Neretva County*

**Ms. Patricia Veramenta-Pavisa**

Director, State Agency for Protection of Cultural and Natural Heritage, Dubrovnik  
"Dubrovnik, Korcula, and Ston: Historic Overview and Audio Visual Presentation"

**Mr. Adam Benovic**

Institute for Biology, Dubrovnik  
"Ways of Protecting Natural Resources"

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International Conference

May 28–31, 1996

*hosted by*

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