



REPUBLIC OF CROATIA

NATIONAL REPORT FOR HABITAT II

Zagreb, November 1995

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A. INTRODUCTION

The Republic of Croatia, a new independent country in transition, has been undergoing a comprehensive process of social and economic restructuring. At the same time, and under enormous strain, the country has been forced to target a major portion of its potentials towards the remediation of damages inflicted by the Greater-Serbian war of aggression, war destruction and the temporary occupation of a part of its national territory.

War activities caused suffering for the population and severe physical damages.

Particularly heavy damage was caused to settlements and towns, as well as to a large number of cultural monuments intended for housing and other purposes, and to valuable historical wholes, including the ones under UNESCO's protection (for instance, the City of Dubrovnik). Some towns and settlements have been utterly destroyed.

The war in Croatia and neighbouring Bosnia and Herzegovina forced a great number of people to leave their settlements and homes. The majority of them took refuge and are being provided for by the Republic of Croatia.

Any war of aggression, including the war against Croatia, turns refugees and displaced persons into one of the most socially endangered groups in society.

Solving of the problem of displaced persons and refugees is closely linked with remediation of damaged and reconstruction of destroyed housing facilities, reconstruction of municipal and social infrastructure, and employment possibilities, as the necessary prerequisites for the return of the displaced population to their homes and their further social reintegration.

For some time now Croatia has been seeking out ways to ensure the implementation of international resolutions concerning the return and peaceful reintegration of the occupied areas into its territorial and political system. The integration of the national territory of the Republic of Croatia is a necessary prerequisite for the safe return of the displaced population, as well as for the utilisation of available resources and the stimulation of the economic and social progress.

The necessary comprehensive reconstruction of war-hit Croatia does not refer only to what has been destroyed by the war, but it must also contain all the forms of a complex social and economic policy, as well as environmental protection policy, as a necessary prerequisite for establishing a system of towns and settlements in the function of creating a new quality of life, a harmonized regional and sustainable development.

All these tasks are too much of a burden for a country that has suffered war destructions. This is why assistance of the international community is essential. The assistance should primarily be financial, followed by technical, advisory, and any other type of assistance offered through international organizations, as well as by means of bilateral co-operation.

International community should be included into a speedy resolving of this issue.

1. The Process

As a sovereign state, the Republic of Croatia joined the activities of the UNCHS/HABITAT in 1993.

During October and November 1993, an "identification mission" of UNCHS was fielded in Croatia.

The Mission was introduced to the issues associated with housing and urban development. It visited a number of regions and towns in Croatia heavily affected by the homeland war.

In its report the mission provided an assessment and suggested priority activities for the improvement of the urban development and housing sector.

One of the Mission's results was the establishment of a Habitat Focal Point in the Republic of Croatia towards the end of 1993.

The Republic of Croatia has joined the HABITAT II preparations towards the beginning of 1994.

In co-operation with the UNCHS Mission, the first report was elaborated, presented at PrepCom I (Geneva, April 1994). The second Progress Report was prepared for and presented at PrepCom II (Nairobi, April 1995). The Report stressed tragic consequences of the aggression and the difficulties the country is facing in order to ensure accommodation for displaced persons and refugees.

Following a decision of the Government of the Republic of Croatia, the National Committee for HABITAT II was established on 30 June, 1994. The Committee's members are representatives of relevant ministries, scientific and expert institutions and non-governmental organisations. The National Committee was launched in the summer of 1994.

Since reconstruction and development of the entire national territory and ensurance of quality living conditions for the war-struck population refers in particular to a country hit by a war, it has been established that these issues deserve a particular attention in the documents prepared for HABITAT II.

On the occasion of the World HABITAT Day, on 3 October, 1994, a message was forwarded to UNCHS, pointing out the issue of displaced persons and refugees in the Republic of Croatia.

In the scope of preparations for the making of the National Report, representatives of Croatian state bodies and other experts actively participated also in the regional preparations for HABITAT II.

Activities were reinforced also as to the preparations and participation of Croatian delegation at the Ministerial Conference of Transition Countries; preparations of the Budapest Declaration, and a number of regional ones associated with the elaboration of urban indicators for HABITAT II.

The National Report for HABITAT II was adopted by the National Committee and forwarded to the Government of the Republic of Croatia for consideration. The Government adopted the Report on 23 November, 1995.

By the 2nd UN Conference on Human Settlements (Istanbul, June 1996), expert institutions and mass media will have become familiar with the National Report of the Republic of Croatia.

2. Participants

The preparation of the National Report of the Republic of Croatia for HABITAT II was initiated by the National Committee.

It was elaborated by a Task Force made up of a part of its members, whereas competent state and municipal institutions and their relevant services took part in the preparation of indicators.

The work was done at the Ministry of Physical Planning, Civil Engineering and Housing, as the government authority responsible for issues regarding human settlements, housing, civil engineering and technical infrastructure management in the Republic of Croatia.

In the gathering of data and preparation of various documents, the following competent institutions were involved:

- The Ministry of Physical Planning, Civil Engineering and Housing
- The Ministry of Foreign Affairs
- The Ministry of Development and Reconstruction
- The Ministry of Finance
- The State Office for Displaced Persons and Refugees
- The Central Bureau of Statistics
- The City Bureau for development Planning and Environmental Protection of the City of Zagreb

Professional contributions for the conception and preparation of the present Report were made by National Committee members, prominent scientists and experts from the University of Zagreb, and by representatives of government authorities, professional associations, non-governmental organisations and private enterprises in the field of human settlements.

In the course of preparations of the National Report, the National Committee introduced mayors of all major Croatian cities to the basic content and importance of HABITAT II.

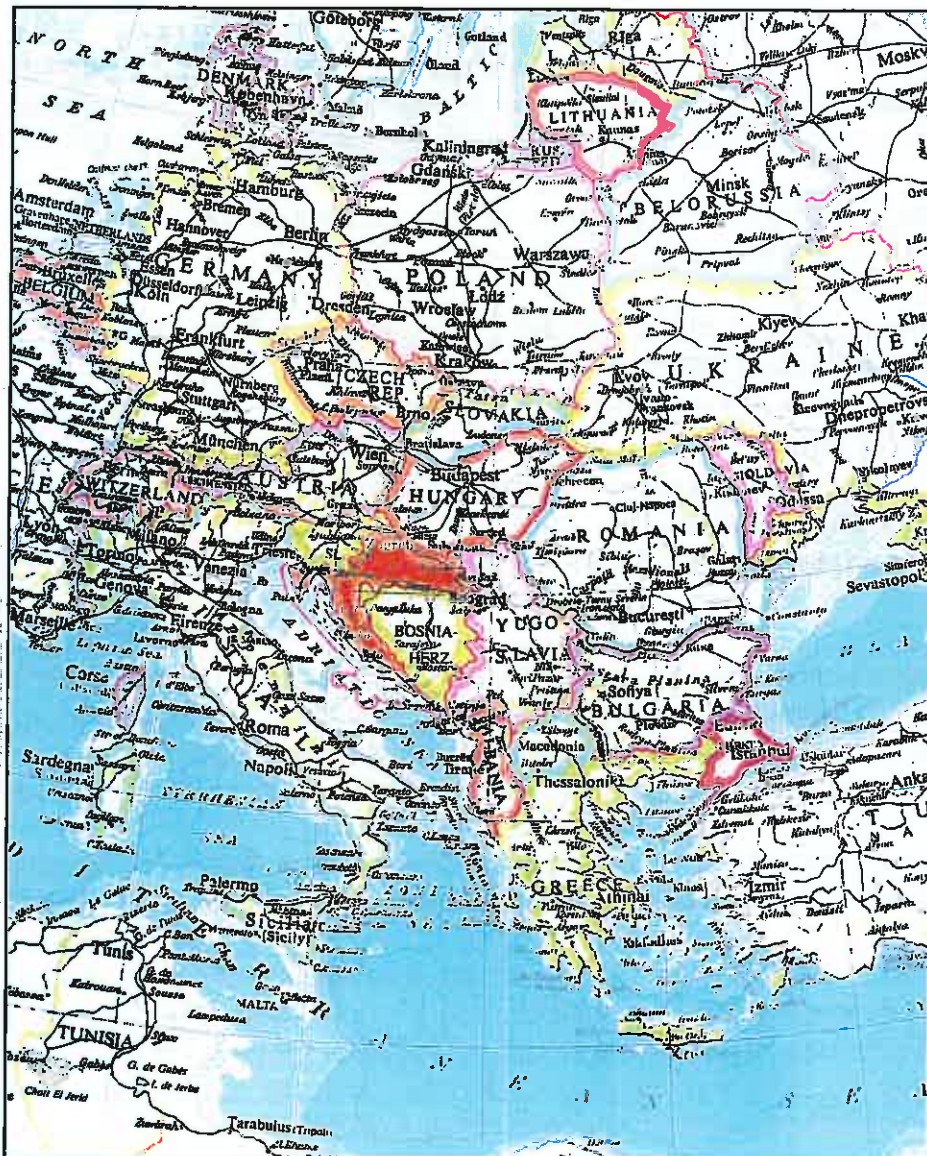
The National Committee made special efforts to involve war-struck Croatian cities into elaboration of the Report and preparations for HABITAT II. Their care for displaced population, remediation of what has been destroyed, difficult financial situation and overburdening of their professional staff by providing for the existing needs have made it possible for them to respond to this invitation in a proper manner at this particular stage.

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It is expected that, once the peace is restored, broader Croatian public, and particularly experts from the war-struck areas, will have more possibilities to join the preparations and take part in the work of the 2nd UN Conference on Human Settlements.

The National Committee shall endeavour to encourage the involvement of municipal authorities, professional associations and enterprises taking part in the construction and maintenance of human settlements, as well as other interested parties, into implementation of HABITAT II achievements.

Special efforts shall be directed towards including the war-struck areas, thus enabling their timely remediation and ensuring the quality of their development.



B. ASSESSMENT AND PRIORITIES

1. The Broader Setting

THE REPUBLIC OF CROATIA IS AT THE SAME TIME
A CENTRAL EUROPEAN, DANUBE RIVER BASIN,
AND MEDITERRANEAN MEDIUM-SIZED COUNTRY

N° of inhabitants in mil.	Country	Continental surface area in thousands of sq. kilometers
4.78	CROATIA*	56.5
7.76	AUSTRIA	83.8
9.95	BELGIUM	30.5
4.37	BOSNIA AND ERZEGOVINA	51.1
10.33	CZECH REPUBLIC	78.9
5.13	DENMARK	43.1
4.98	FINLAND	338.1
10.29	HUNGARY	93.0
5.33	SLOVAK REPUBLIC	49.0
1.99	SLOVENIA	20.3
6.75	SWITZERLAND	41.3

* Croatia's total surface including the sea amounts to 89,810 km²

Its most significant resources include:

**NUMEROUS HISTORICAL AND NATURAL WHOLE PROTECTED DUE
TO THEIR EXCEPTIONAL VALUE**

**PRESERVED FERTILE SOIL, GOOD QUALITY WOODS,
AND HEALTHY GROUND AND SURFACE WATERS**

THE CLEAR AND ATTRACTIVE ADRIATIC SEA

Length of the indented coastline, including islands, is 5,790 km², whereas there are 718 islands (66 inhabited).

2,293 individual monuments and 845 wholes have been entered into the Register of Cultural Monuments. 87 individual cultural monuments fall under zero category. There are 329 natural wholes under protection, and 7 national parks.

The following has been entered into UNESCO World Heritage List:

**cultural monuments, Dubrovnik historic urban whole, Diocletian's palace in Split
and the Plitvice Lakes National Park natural monument.**

There are 6,694 settlements in all in Croatia, whereas more than 70 urban settlements have the status of a town.

The national capital is Zagreb - population: 860,000.

A considerable number of settlements and towns, some 374 in all, are characterised as historical entities or have sections under protection as cultural monuments.

2. Current Conditions

ESTABLISHMENT OF SOVEREIGNTY AND TRANSITION

By the passing of the Constitution of the Republic of Croatia, on 22 December, 1990; by the establishment of a sovereign and independent state - The Republic of Croatia, on 26 June, 1991, and by the creation of a new legal system based on property relations and economic policy, being both a market and a social one, it has become necessary to remediate the consequences of:

- inheritance of the former socialist system in terms of poor management of space and human settlements;
- lack of care for private ownership;
- inadequate evaluation of space, and particularly of land zoned for building;
- inefficient services responsible for land registration and the maintenance of settlements and housing stock.

It is necessary to regulate the following:

- property-rights relations i.e. undefined ownership carriers;
- poorly maintained and devastated housing stock;
- the issue of building management and maintenance;
- the issue of forcibly dispossessed property;
- systematic encouragement of new housing construction;
- inefficient keeping of cadastres and land registers, and
- lack of housing units.

WAR AGGRESSION CONSEQUENCES

Over a half of Croatia's national territory was directly affected by the war of aggression. The area was inhabited by 36% of the population and covered more than 30% of the nation's economic activities. It is estimated that total war damage by 1994 amounts to US\$ 27 billion which makes US\$ 5,650 per capita.

The war affected (among other):

- **approximately 590 settlements (181 of which are of cultural and historical significance);**
- **35 settlements and towns were levelled to the ground;**
- **551 schools, 31 hospitals and 563 churches were destroyed.**

The war caused heavy demographic disturbances in Croatia, implying long-term negative consequences.

In the course of 1994, Croatia was providing for 380,000 displaced persons and refugees, which makes 12.5 % of the total population on the then free territory of Croatia.

DISPLACED PERSONS - 197,000 displaced or exiled from the temporarily occupied territories of Croatia

REFUGEES - 183,000 mostly from Bosnia and Herzegovina

□ WAR DAMAGES IN THE REPUBLIC OF CROATIA

War damages are a consequence of the military aggression entering into the history as a war in which cultural, natural and economic property was destroyed as a deliberate destruction target.

The aggressor was executing a planned terror over the lives and bodies of civilians, whereas hundreds of thousands of families were exiled from their homes and settlements.

The loss of civilian population considerably exceeds that of military forces.

Immediate war damages in Croatia for the 1991-1994 period have been estimated at more than 15 billion US\$

Estimated war damages to human settlements (housing stock, municipal services' infrastructure, cultural heritage) and to economy exceed 10 billion US\$, as follows:

- housing and municipal services' infrastructure	4.13 bil. US\$
- economic infrastructure (oil industry, electric power-supply system, postal service and telecommunications, water management system, radio and TV network, roads and railroads)	2.20 bil. US\$
- economy (industry, agriculture, food industry, naval traffic, harbours, trade, catering and hotel management)	3.00 bil. US\$
- health services (public health clinics, hospitals)	0.50 bil. US\$
- education, culture, sports (primary and secondary education facilities, faculties, colleges and universities, sports facilities)	0.19 bil. US\$
- cultural monuments	0.55 bil. US\$
Total:	10.57 bil. US\$

A part of the war damages, 5.00 billion US\$, refers to dispossessed property and costs of war financed from the state budget.

The exact amount of total war damages (both direct and indirect) will be established only after the State Commission for War Damages has gathered all the data, processed them and has provided a final report.

3. The Past 20 Years

Over the past years, from the Vancouver Conference until the present, Croatia has undergone major urbanization processes. As indicated by the data, they are only to a lesser extent manifested by the urbanization of the entire Croatian territory i.e. revitalization of urban way of life in numerous small towns and other settlements historically characteristic of Croatia. They are more manifested in population migration from smaller towns and rural areas into larger cities, particularly Zagreb, Split Rijeka and Osijek.

This causes disturbances in the balancing of development. Urban areas are created, entailing numerous problems, including lack of housing units, their bad structuring, poor quality and dislocation. At the same time, large regional areas are being "emptied", with the housing stock there deteriorating.

Overall process may be observed from the census data (already observed in 1981 and continued in 1991), showing that the number of housing units in Croatia exceeds the number of households. However, their distribution is not satisfactory. Surplus occurs mostly in rural areas, whereas lack is characteristic of larger cities.

Predominance of small settlements and their dispersion still mark the manner in which Croatia is populated. More than 50% of settlements have less than 200 inhabitants (1991). Such a stressed population dispersion is indicative of a relatively low level of socio-economic development and of the country's urbanization.

It is obvious that the process of population restructuring has not been completed yet, so that further structural changes may be expected. They may currently be observed in the increase in number of medium-sized settlements and their speedier population growth, with a simultaneous increase in the number of small settlements with a tendency of rapid population loss, many of which shall remain without permanent inhabitants or shall become incorporated in larger settlements.

Croatia has about 120 towns and cities accounting for about 60% of its population number. Their structure regarding the size is not favourable because it lacks medium-size towns (with 20,000-100,000 inhabitants).

Urban network is also marked by an asymmetric spatial disposition of towns of a certain size. This causes physical processes impairing a more harmonized regional development. One may conclude that, in the physical planning strategy, towns, as well as the entire urban system, will have to be conceived not only as objects, but also as instruments for achieving the objectives of the country's harmonious physical development. This in fact means that respective cities, and particularly larger agglomerations, must undergo physical planning process through planned measures (metropolitan areas of Zagreb, Split, Rijeka and Osijek), with a simultaneous planned encouragement of the development of medium and small towns and development centres.

About 61% of the territory has rural properties, 27% has transitional - urbanized, and 12% has urban properties.

This fact defines also the basic strategy of physical planning, its functional organization, purpose, evaluation and protection, and points to numerous consequences and laws.

Population distribution (per area types) has an almost opposite form: about 66% of the population lives in urban areas, about 15% in transitional urbanized, and about 19% in rural areas.

Both of these distributions confirm a pronounced population concentration and polarization in urban areas that have a relatively small surface and are really quite few in number. This fact confirms the need for a top-priority and good quality planned directing and selection of demographic processes, and particularly for revitalization and functional conception of the entire rural space.

By continuing the process of uncontrolled population concentration (primarily by imigrations), urban areas will increase the gap between two principal spatial categories (urban and rural), which makes it quite clear that the key to the problem lies in restoring the basic functions of rural areas.

Revitalization of rural areas must be achieved in the following manner:

- through revival of rural areas by their characteristic activities, only at a higher technological level;
- by developing industrial production based on autochthonous resources;
- by opening new workplaces and encouraging double callings for the population in these areas;
- by encouraging commerce centers using goods for functional purposes;
- by dislocating respective branch state offices;
- by stimulating evaluation of work in rural areas, and, generally, by a public affirmation of the quality and way of life in rural areas.

In Croatia, out of the total of 6,694 statistically defined settlements there are only about 700 development centres/ settlements (with about 80% of the country's population). It is important to stress that over 70% of them have less than 2,000 inhabitants (1991).

This means that only about 30% of the centres really are centres, whereas other centres are only potential areas for development, gathering and the necessary speedy planned investments. The remaining 6,000 settlements have only about 20% of the population.

Besides, physical distribution of the centres is not an optimal one. While solving the issue of developing Croatia's rural areas, it will be necessary to single out other regional centres from the category of other settlements and establish local organization in the areas of functional vacancies (mountainous parts of Croatia).

In 1971 - 33.0 percent of the total population lived in 24 settlements with over 10,000 inhabitants.

In 1991 - 44.2 percent of the total population lived in 40 settlements with over 10,000 inhabitants.

In 1971 - 52.1 percent of the total population inhabited settlements with less than 2,000 inhabitants.

In 1991 - 40.6 percent of the total population inhabited settlements with less than 2,000 inhabitants.

Changes initiated after the first multi-party elections, directly frustrated by the war of aggression, were the most significant changes of relevance for Croatia in the past 20 years.

4. Agenda 21 and the GSS

The process of reconstruction and development is seen as an opportunity and obligation to achieve sustainable development.

Sustainable development of settlements must rely on integral solving of protection and advancement of the natural basis, increase in speed and quality of technical and social infrastructure, with a simultaneous enabling of achieving satisfactory economic results. Particularities of each individual settlement and its wider surroundings must be respected in the process.

In Croatia, it is essential to establish a harmonious and simultaneous development of towns and regions i.e. preserve and advance the values of both rural and urban areas.

Achieving of a more even and balanced development of the entire space represents a top-priority, along with stimulating the population of areas with natural advantages, suffering from depopulation. It is also necessary to stop meaningless spreading of development areas, particularly near large cities, coastal areas and other attractive areas.

In order to release the pressure made on larger cities, it is necessary to define and implement incentive measures for the development of smaller towns.

As the main starting point, we have adopted the establishment of more rational and more efficient systems based on an integrated approach to the planning and management of physical values.

Physical planning is seen as an important part of the integral planning system. Physical plans may prove to be the most suitable support for the environmental protection planning and prevention, as well as one of the most significant supports for achieving a permanent sustainable development quality.

Prerequisites to be met in the planning and management of settlements are as follows:

- application of new technologies and standards co-ordinated with environmental conditions;**
- revitalization of settlements and of the entire space in the function of sustainable development;**

- network of settlements that will take over the function of bearing the advancement of the wider area's quality of life.

The main criteria for evaluating sustainability of settlements are as follows:

- level and safety of meeting economic living conditions;
- possibilities of providing adequate housing;
- physical safety level of settlements and inhabitants;
- quality of environment and natural resources;
- quality and level of infrastructural equipment.

Maintenance of preserved space has an advantage over other options, whereas advancement of devastated areas and human settlements requires systematic and gradual remediation.

5. Best Practices

In the solving of heavy consequences of war aggression, Croatia had to take particular care of the accomodation of numerous displaced persons and refugees, organize gradual remediation of devastation consequences, of human settlements and their entire infrastructure.

The performance of these tasks, based on our own technologies tested in practice, served as training for a number of highly qualified experts from various areas of expertise.

Particularly valuable experience was gained in the following areas:

- Care and provision of adequate accommodation for displaced persons and refugees (from the beginning of the aggression until the present, Croatia has provided for the total of 1.100,000 persons!) The majority (80%) were given accommodation in solid buildings, whereas even the available tourist facilities were used to a large extent (266 hotels!).
- Organized approach, planned preparation and financing the reconstruction of damaged settlements.
- Physical planning based on integrated approach to the planning and management of physical values.

Experience gained in Croatia deserves international attention because it is exceptional due to the fact that the entire organization was operating in a systematic manner, even under such difficult circumstances.

Croatian experts are prepared to make a contribution with their experience in finding solutions enabling the international community to help in solving the problem of organizing suitable temporary accommodation of displaced persons, as well as of reconstruction and revitalization of damaged areas and human settlements.

Numerous Croatian experts are working with international organizations' experts on joint projects for reconstructing historical wholes (with UNESCO, the old core of Dubrovnik and Vukovar).

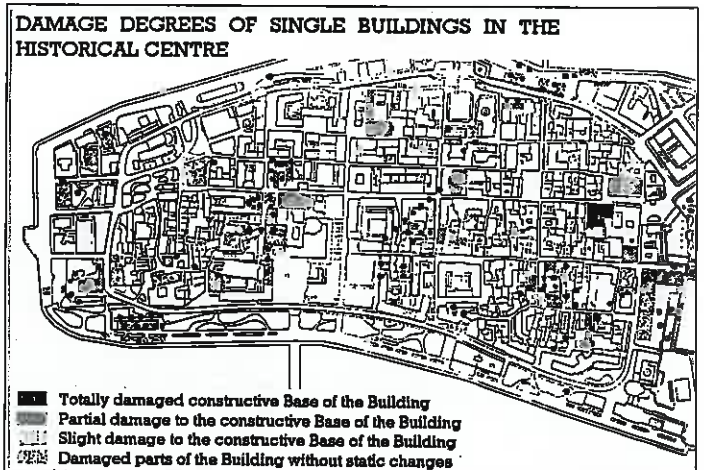
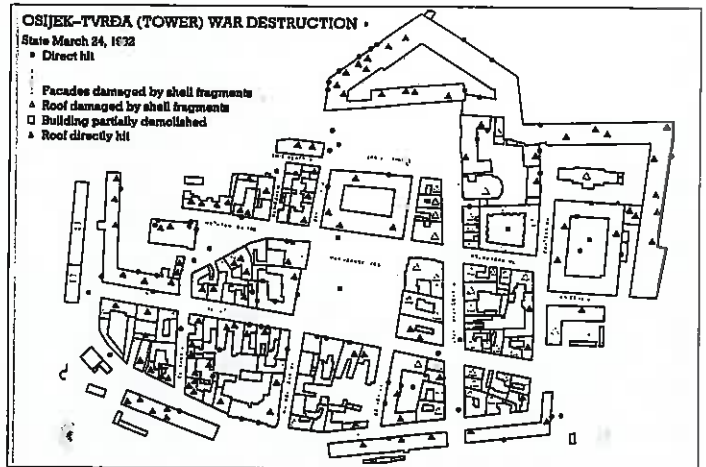
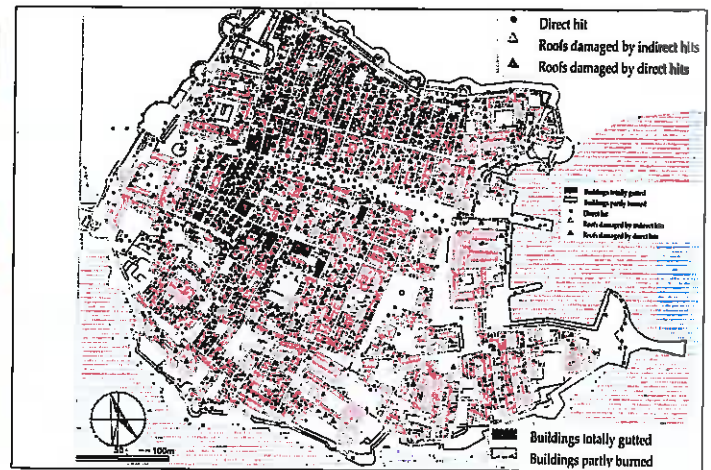
Experience gained in the remediation and reconstruction of war-struck areas may be of use to other countries hit by war and other destructions as well.

Some of examples are:

- PHYSICAL PLANNING IN THE FUNCTION OF HUMAN SETTLEMENTS REVITALIZATION AND ACHIEVING THE SUSTAINABLE DEVELOPMENT
- THE BASES OF SPACIAL ARRANGEMENT IN THE WAR-AFFECTED AREAS OF CROATIA
- "25 000 FAMILY HOUSES PROJECT"
- "EKO-LOGICAL HOUSE" PROJECT

Croatian Towns Historical Centres - Factors of Identity War Destruction

Dubrovnik	Dubrovnik
Osijek	Osijek
Zadar	Zadar



Croatian Towns Historical Centres - Factors of Identity War Destruction

Vukovar	Vukovar
Vukovar	Vukovar
Zagreb	Dubrovnik



6. Priority Issues

REHABILITATION AND REVITALISATION OF WAR-DAMAGED AND DESTROYED SETTLEMENTS

RETURN OF DISPLACED PERSONS AND REFUGEES TO THEIR HOMES

ENSURING CONDITIONS FOR ACHIEVING SUSTAINABLE DEVELOPMENT

The efficiency of measures for the return of displaced persons and refugees shall be measured by the number of displaced persons returned and the quality of life level reached in return destinations. The return of all displaced persons and refugees to their homes and further reconstruction and construction of these parts of the country shall fulfill the ultimate purpose of organized care for displaced persons and refugees and of the National Return Programme.

Priority tasks in realizing the return, remediation and reconstruction of war-affected settlements have been grouped into the following phases:

1. SAFETY PHASE

- Securing borders and establishing police administration
- Clearing mine fields and unexploded lethal devices
- Exhumation of the killed
- Disinfection, desinsectization and pest control
- Terrain sanitation (removal of dead animals)
- Checking the degree of water and soil contamination.

After this phase, the return of displaced persons is allowed, under expert supervision, but it is not obligatory, because other conditions for organized return have not been met yet.

PHASE 2.- INFRASTRUCTURAL PREREQUISITES

- Repairing of roads
- Water supply
- Supply by electricity
- Telecommunications
- Choosing waste disposal sites

In the course of this phase begins an organized return. At the same time begins also

PHASE 3.- ACTIVITIES AND SERVICES

- Organizing health care
- Supply by foodstuffs
- Opening of the necessary roads
- Organization of life at schools
- Organization of religious life
- Municipal services
- Environmental protection measures.

C. THE NATIONAL PLAN OF ACTION

1. Strategies and Policies

New starting points of the Republic of Croatia have at the same time the significance of transformation from the former system of inherited inefficient models, and renewal of spiritual, demographic, environmental, economic and cultural values.

The main orientation is not only reconstruction of what has been destroyed in the war, but a complete restoring based on market economy development consistent with the country's advanced European surroundings.

The following are the four most important national documents for the development and reconstruction of human settlements (that have already been adopted or are currently under preparation).

- RECONSTRUCTION CONCEPT OF THE REPUBLIC OF CROATIA
- NATIONAL PROGRAMME FOR THE RETURN OF DISPLACED PERSONS AND REFUGEES AND REVITALIZATION IN THE WAR-AFFECTED AREAS
- CONCEPT OF THE URBAN DEVELOPMENT STRATEGY OF THE REPUBLIC OF CROATIA
- COMPREHENSIVE HOUSING REFORM PACKAGE

- RECONSTRUCTION CONCEPT OF THE REPUBLIC OF CROATIA

The main intentions and objectives are as follows:

- return of refugees and displaced persons
- reestablishing normal living conditions
- reconstruction and putting in order of economic and other war-damaged and destroyed facilities
- enabling war-affected areas for a relatively independent development and progress

Reconstruction concept of war-affected i.e. destroyed or damaged parts of Croatia is an extremely complex professional task requiring multidisciplinary approach and systematic planning.

Short and medium-term priorities are as follows:

- programmed return of displaced persons and refugees;
- human, economic and cultural reintegration of war-affected areas.

The return, as well as reconstruction of destroyed housing stock, urban and rural infrastructure, power supply, water management, roads, communications, educational and health service facilities, are the necessary prerequisites for normalizing people's lives and economic activities.

Physical and environmental protection plans based on sustainable development postulates represent the necessary prerequisites for the huge needs of reconstruction and new construction.

Efficient revitalisation and future development of the most important economic activities require professionally and entrepreneurially elaborated strategies that will take into account global economic trends, and particularly altered economic and political circumstances in the Republic of Croatia.

Based on the estimates by The State Commission for the Evaluation of War Damages on housing units in the 1991-1995 period **there are 135,000 housing units (nearly 8.6 %) damaged or destroyed in Croatia**

Nearly 34,000 family houses have been utterly destroyed (5th and 6th damage category).

The first step in the remediation of damaged housing units, due to limited financial means and the need for their purposeful use, was aimed at remediating buildings enabling speedy accommodation of new tenants at relatively low costs.

Following that, based on the National Programme for the Return of Displaced Persons and Refugees, the Ministry of Development and Reconstruction started organizing and implementing a comprehensive reconstruction of the settlements damaged or destroyed in the war.

Several pilot-projects were launched, according to the principle "each settlement - a separate project", as well as a comprehensive project for the reconstruction of 25,000 family houses that were hit the most.

25 000 FAMILY HOUSES PROJECT

Reconstruction project for family houses damaged in the war (5th and 6th damage categories)

Project goals:

1. Return of refugees and displaced persons
2. Reestablishing normal living conditions
3. Reconstruction of economic infrastructure
4. Reconstruction of physical and social infrastructure

Reconstruction project for family houses 5th and 6th damage categories will be financed from Government budgetary funds, together with local sources and work of refugees themselves.

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Reconstruction of less damaged family houses (1st, 2nd, 3rd and 4th damage categories) and interior works of 5th and 6th damage categories will be financed by loans through "HKBO" (Croatian Credit Bank for Reconstruction).

Reconstruction of family houses is organized and consists of five phases:

- 1st phase - reconstruction or rebuilding of supporting walls, interfloors or stairways
- 2nd phase - construction of roofs i.e. ceilings and construction of chimneys and roof tin plates
- 3rd phase - outdoor joinery and building in exterior doors and windows
- 4th phase - bricklayer's, craft's and plumber's works and interior joinery
- 5th phase - setting in order necessary furniture

Conditions for achievement of reconstruction benefits:

- family house has to be situated in war-torn area
- owner's or authorized beneficiary's family must have lived in the house just before the aggression on that area
- family house has been damaged 5th or 6th damage category

Cost estimate for the reconstruction of dwellings-households

Typical house 80 m² + estate
5th and 6th category of damage

	Provided for in the national budget		Other sources	Total in 1,000 US\$
	From the state budget - outright grants	HKBO*	- Donations, - Credits, - Personal funds	
Phases 1-3 276 \$/m ²	22,040			
Phase 4 296 \$/m ²		9,210	14,474	
Phase 5 66 \$/m ²			5,263	
Repair of farm buildings			7,895	
Renewal of equipment on a farming estate			26,316	
per house	22,040	9,210	53,948	
Planned 25,000 houses 5,000 in 1995 20,000 in 1996	550,975	230,250	1 384,000	2 129,950

* HKBO = Original Croatian abbreviation for The Croatian Credit Bank for Reconstruction

NATIONAL PROGRAMME FOR THE RETURN OF DISPLACED PERSONS AND REFUGEES

The number of displaced persons was the largest in 1992 and amounted to over 700,000 person. The majority of them were provided for in the Republic of Croatia.

In 1994, Croatia was still taking care of 380,000 displaced persons and refugees, from its own temporarily occupied areas and from neighbouring Bosnia and Herzegovina respectfully.

THEIR RETURN INTO THEIR OWN HOMES AND THEIR JOINING OF A NORMAL ECONOMIC AND SOCIAL LIFE MUST FOLLOW AS SOON AS POSSIBLE.

The guiding principles for their return are:

- the need for an organized return of displaced persons and refugees
- voluntary decisions made by the displaced person or refugee to return
- safety conditions in the place of return
- rehabilitation and return on a "settlement after settlement" basis
- the reconstruction of housing as a priority task in the reconstruction of war-affected areas
- incentive measures for displaced persons and refugees to be undertaken by the state
- incentive measures for the reconstruction of destroyed residential buildings
- to direct the returned persons primarily to their own homes, on their plot of land
- encouraging economic activities as the necessary prerequisite of economic safety

CONCEPT OF THE URBAN DEVELOPMENT STRATEGY OF THE REPUBLIC OF CROATIA

Defines long-term objectives for urban development and planning.

As a collective synthesis for sectorial considerations, commitments and views of development in the Croatian national area, it sets the starting points and objectives for the management of space.

It establishes common and special goals according to which partial sectorial concepts and strategies related to the utilisation of space are targeted, and which determine how they are to be realised in urban development.

The Strategy is based on the following guidelines and starting points:

- the complete and absolute reintegration of the entire national territory and maximising the efficient linking of major development focuses and national centres;
- providing the conditions for the return of displaced persons as soon as possible to their homes and native place of residence they have been forced to abandon;

- an integrated approach to planning and managing (governing) the national area, the environment and development;
- establishing new criteria for national area evaluation;
- rational management, the use and protection of resources which would provide for permanent and steady development;
- orienting activities and the economy in compliance with conditions in the area and environmental criteria;
- alleviating and correcting the demographic disturbances and a more regular distribution of the population;
- orienting urban development towards the function of creating a system of settlements;
- promoting the development of medium-scale and small-scale towns and development trees, and stemming the growth of the population in larger towns;
- the reasonable use and exploitation of urban land, particularly in regard to protecting valuable and fertile agricultural land;
- the conservation and reconstruction of historical towns and settlements as places of architectural identity;
- providing conditions to keep the population on islands, near the boundaries and in the highlands;
- the rehabilitation of rural areas and improvement in living quality where it is needed and possible, while concurrently preserving village features, natural resources and cultural goods.

COMPREHENSIVE HOUSING REFORM PACKAGE

Housing economy organization is based on **HOUSING POLICY** which is both a **MARKET** and a **SOCIAL** one.

MARKET - means that everyone covers the costs of providing for housing by him/herself and takes care of meeting one's needs for housing on one's own, in accordance with one's possibilities.

SOCIAL - means that the State, through the financing of the building of housing units for rental, helps those groups in society that are unable to ensure adequate housing for themselves and cover the related costs on their own, without help on the part of the State.

In order to implement housing policy, it is necessary to ensure financial means and pass regulations that will enable the organization of housing economy as an economic branch encouraging development of the entire economy.

In order to set the country's HOUSING POLICY, we have benefited from the positive experience of the Western democracy countries in which economy is based on market and social principles.

Housing policy is being adjusted and modified according to the economic, political, cultural and social particularities of the Republic of Croatia.

Due to the inheritance from the past, it is not possible to introduce the market economy system right away. It must be introduced gradually, taking social safety into account in the process.

The policy of unrealistically low rents implemented in the past has caused inadequate maintenance of the housing stock, and hence its deterioration and devastation.

Current rents, caused by the present population's standard of living, still do not represent an economic category sufficient for adequate maintenance of residential buildings.

The main characteristic of the housing stock in Croatia is a high degree of privatization and lack of housing units for rental.

Towards the middle of 1995, 91% of permanently occupied housing units were owned privately.

(The main task in the implementation of housing policy is the ensurance of governmental incentive measures for building housing units for rental; establishment of a social housing system; involvement of financial institutions that will be granting long-term housing loans, and establishment of housing savings-banks and of a mortgage bank.

The proposed housing policy encompasses all population categories and creates conditions necessary for achieving a HOUSING ECONOMY as an important factor of overall economic and social policy.

2. Objectives

ESTABLISHMENT OF A SETTLEMENT RECONSTRUCTION SYSTEM AND RE-CONSTITUTION OF SOCIAL COMMUNITIES IN ORDER TO CREATE CONDITIONS NECESSARY FOR THE RETURN OF DISPLACED PERSONS AND REFUGEES TO THEIR HOMES

Achievement of as even a spatial distribution of the population as possible (without major changes or migrations into larger cities), in view of harmonizing development and achieving optimum utilization of land resources, with a gradual population of areas suffering from depopulation and at the same time having pronounced natural advantages.

The elaboration of a polycentric development model based on a network of towns (4 large cities, about 12 larger towns, county centres, smaller towns, local centres) gathering round and servicing denser population areas.

The keeping and population of people in rural areas through the strengthening of local centres' and central settlements' functions (particularly servicing, social, health care and economic functions). At the same time, through the strengthening of the function of settlements, the purpose is to create conditions for the development of economy, in accordance with the respective area's characteristics and particularities, as well as enable local communities for the development and conservation of physical values. This is the reason why it is necessary to do the following:

- Set a new system of central settlements consistent with the country's territorial organisation (counties, towns and municipalities); investigate and determine indicators and criteria for defining cities
- Establish the typology of towns and their regional characteristics, as well as guidelines and measures for the preservation of regional properties of towns and settlements
- Identify sociological and culturological "critical masses" of the settlement communities' number of inhabitants that may be the most widespread hierarchical and the lowest functional settlement types in the country's "urban network"
- Identify indicators on space utilisation for the expansion of cities and settlements
- Historical centres must be reconstructed as the places of urban architectural identity, in the function of services, culture, quarterly activities and housing
- All natural and manmade values and human resources must be used in the function of a more even regional development, as a condition of an optimal overall development and spatial organization of the Republic of Croatia
- In small and medium-scale urban centres, increase the share in the number and size of housing, work, service and recreational functions, in order to influence more favourable demographic developments and overall development of the area in question
- Housing construction must be directed towards settlements, in compliance with the demographic and economic revitalisation strategy

3. Activities

Principal activities of importance for human settlements over the past five years in Croatia have been targeted at the same time towards transformation of the overall property management system and towards the remediation of war consequences.

The complexity of tasks and high costs necessitate a highly professional approach, rational and efficient organisation, considerable financial resources and a considerable amount of

time. The basic activities are expressed in the reconstruction concept of the Republic of Croatia.

The most important activities on the national level are focused on:

- The legislative measures required to establish the system and to identify implementing tools;
- The adoption of incentive measures for the return of displaced persons, stimulation of entrepreneurship and other economic policy measures for war-affected areas;
- Providing funding for reconstruction from the Government budget and acquiring finances from international financial institutions;
- Identifying priorities in the reconstruction and development of national infrastructure facilities;
- Establishing international co-operation in regard to issues of reconstruction and development in the Republic of Croatia.

The main activities on the county, municipal and communal authorities level are:

- To plan urban development and environmental protection;
- To formulate reconstruction programmes for regional and communal infrastructure;
- To identify priorities in the reconstruction meeting county i.e. local needs;
- To provide the preconditions for the rapid and easy implementation of reconstruction and development projects, particularly for the new entrepreneurship.

The Croatian Government has ensured the initial financial means and has passed the necessary incentive measures for the reconstruction of destroyed residential buildings (favourable earmarked loans, tax and duty reliefs for the purchase of construction materials, and the like)

In 1993, the Government initiated and funded a programme for the elaboration of the Basic Principles for the Utilisation and Protection of War Affected Areas.

The document was prepared for local authorities in war-affected areas, and focuses on the rapid assessment of the impact of war on spatial systems and the acceleration of the reconstruction process.

With its modest funds, the State is currently carrying out works in the field of infrastructure and the reconstruction of destroyed and construction of new facilities, particularly traffic arteries.

4. Monitoring Progress

The new law prescribes the obligation of producing two-year reports on the state in the Croatian national area for the entire territory of the State, counties, towns and municipalities.

Obligation has been set for the state administration and other administrative bodies to establish an information system and documentation on space.

In 1994, the Croatian Government adopted the Draft Programme on Information Infrastructure Development for Urban and Environmental Management.

The Programme includes four projects:

1. Urban Development System
2. Urban Development Database
3. Spatial and Informative Basis of Territorial Units and Settlements
4. Housing and Utility Infrastructure

This will enable the monitoring of the urban development state, construction of settlements, residential buildings, as well as the dynamics of growth in equipment by communal and social standard facilities.

A systematic monitoring of urban indicators shall also be established. Depending on thus acquired experience, the need for the monitoring of urban indicators for all the towns and cities in Croatia will be determined.

The Central Bureau of Statistics and its related services on municipal level are prepared to expand data compiling and processing in compliance with the methodology elaborated for HABITAT II.

5. Commitments

The past extensive and valuable experience of Croatian institutions and experts through many years of planning and the construction of settlements and major facilities both in the country and abroad indicate its readiness and qualification for international co-operation.

Croatian Towns Historical Centres - Factors of Identity

Zagreb	Split
Dubrovnik	Osijek



Croatian Towns Historical Centres - Factors of Identity

Karlovac	Knin
Rovinj	Trogir
Rab	Korčula



D. INTERNATIONAL CO-OPERATION AND ASSISTANCE

1. Priorities

Priorities of the Republic of Croatia are first of all reconstruction of war-torn areas and further overall economic and social development. This will help create the conditions necessary for the return of displaced population into its towns and settlements it was forced to leave because of the Serbian aggression on Croatia.

Consequences of war destructions caused to towns and settlements, farm buildings, infrastructure and environment require financial and every other form of assistance on the part of the international community, in view of their alleviation.

Croatia not only requires international economic assistance but also the close co-operation of all, but in particular with the developed European countries. Croatia is expecting measures which will provide access to international capital and support in specific development programmes.

In spite of difficulties it is facing, with the support of international community Croatia is capable of becoming a prosperous part of Europe.

The above mentioned international assistance to the Republic of Croatia can be facilitated through:

- **rehabilitation and reconstruction programmes for towns and settlements destroyed and damaged by war, particularly for housing stock and small-scale estates;**
- **the reconstruction of the utility infrastructure in towns and settlements affected by immediate war destruction;**
- **the renewal, protection and improvement of environment management and improvement of transportation**
- **ensuring favourable loans from international financing institutions**

In its Report the UNCHS/HABITAT Mission considers that short-term international assistance in the following fields for the Republic of Croatia is justified:

1. Identification of the National Shelter Strategy
2. Land management
3. Relationship between the Central Government and Municipalities
4. Problems of Transition in the Country

In compliance with the proposals and conclusions of the UNCHS Mission, the National Focal Point for HABITAT in the Republic of Croatia sent a letter to the UNCHS Technical Co-operation Division in September 1994.

It was proposed that further co-operation on the implementation of the recommendations of the Mission should focus on an adequate international pilot-project.

As a practical example a medium-sized town in Croatia, characterized by problems of housing organisation similar to a majority of towns in the country, would be selected for the pilot-project.

A response to the proposal is expected.

The UN General Assembly resolutions (GA 47/166 of 18 December 1992, GA 48/204 of 10 March 1994 and GA 21G of 20 December 1994) on the assistance in the reconstruction and development of war-affected areas in the Republic of Croatia are to be taken as a basis to encourage and strengthen the need for indispensable international co-operation.

2. Capacity-building

The Republic of Croatia is professionally qualified to fulfill a part of its more complex commitments regarding the overcoming of war consequences and the launching of a speedier overall development through its scientific and high educational institutions, as well as through its specialized companies.

Based on the experience they have gathered in the period of war, Croatian experts are qualified to offer professional assistance to other states and to international organizations. In this manner, the so far expert international co-operation and exchange may be successfully expanded.

The main obstacle for the fulfillment of this task is the lack of financial means as well as the lack of the country's own experience regarding the market economy conditions. These problems may be successfully overcome with an adequate international assistance.

Viewing the human and natural resources it has at its disposal, and with the assistance of the international community, Croatia may very quickly start remediating the war damages, and at the same time launch a speedy development that will contribute to the improvement of living and housing conditions of its population, as well as to the raising of awareness of the need for environmental protection.

We should like to stress that, in its Report, the UNCHS/HABITAT Mission that visited Croatia towards the end of 1993 expressed its conviction that the largest portion of the task may be fulfilled by Croatian institutions and its experts.

Settlements
 N° of inhabitants - year 1991
 More important towns

