



# **CULTURAL TOURISM IN BOSNIA & HERZEGOVINA**

PRELIMINARY FINDINGS

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This document was produced for review by the United States Agency for International Development. It was prepared by:

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## Acronyms and Abbreviations

Item	Meaning
BiH	Bosnia Herzegovina
CCA	USAID Cluster Competitiveness Activity
CPM	Critical Path Method
EU	European Union
EU-RED	EU Regional Economic Development program
FBiH	Federation of Bosnia & Herzegovina
FDI	Foreign Direct Investment
GDS	Global Distribution System
GSTA	Global Sustainable Tourism Alliance
GTZ	German Technical Cooperation
IDO	International Development Organization
M&E	Monitoring and Evaluation
MICE	Meetings, Incentive, Conference and Exposition Tourism
MOFTER	Ministry for Foreign Trade and Economic Relations
RDA	Regional Development Agency
RS	Republika Srpska
SAVE	Scientific, Academic, Volunteer, and Educational Tourism
SMME	Small, Micro, or Medium-sized Enterprise
STTA	Short Term Technical Assistance
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
UNESCO	United Nations Education, Scientific, and Cultural Organization
UNODEP	Unity and Cooperation for Development of Peoples
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
VAT	Value Added Tax
WHL	World Heritage List

### Acknowledgments

This assessment and preliminary findings were directed in Sarajevo by David King, CCA Chief of Party and Snježana Derviškić, Tourism Team Leader with the able assistance of Selma Šeremet and Tatjana Spasojević. Jusuf Tanović, Deputy Chief of Party and Egon Terplan, Competitive Cluster Advisor, also provided guidance. Interpreter and translation services were provided by Dijana Kešelj and Šejla Pašić and administrative support was supplied by Mirsad Ferizaj and his staff in Sarajevo and Gina Tumbarello in Washington.

## 1. EXECUTIVE SUMMARY

“Cultural tourism forms an important component of international tourism in our world today. It represents movements of people motivated by cultural intents such as study tours, performing arts, festivals, cultural events, visits to sites and monuments, as well as travel for pilgrimages. Cultural tourism is also about immersion in and enjoyment of the lifestyle of the local people, the local area and what constitutes its identity and character.

International tourist arrivals are forecast to top 1 billion in 2010 and over 1.6 billion in 2020. Among the segments of tourism, cultural tourism stands out owing to its growth in popularity, which is faster than most other segments and certainly faster than the rate of growth of tourism worldwide.”

- World Tourism Organization, 2004

Placing a cultural tourism frame around BiH's export trade potential is both timely and appropriate as the country's transitional economy begins to normalize in the European context.

There is an evolving consensus among cultural and tourism stakeholders and other IDOs and consultants of both the strengths and weaknesses of the BiH cultural tourism product and delivery mechanisms. These Preliminary Findings provide an assessment and detail this consensus, offering specific recommendations for program design and strategy development; a process towards destination partnerships and management creation; and future components for knowledge management and learning.

A number of specific interventions are under discussion to both improve and reposition cultural assets in both the Sarajevo and Mostar destinations. But of equal or greater importance is the development of the relationships, intermediation, technical infrastructure, and business models to link these destinations and Bosnia-Herzegovina as a whole to international distribution networks to regularize and streamline hotel reservations, create themed tour routing and packaging, and initiate transaction support services. These structural innovations must accompany new cultural product development and product revision, interpretation and information flows, market research, targeting, and deployment of a cohesive marketing and publicity effort at the State, regional, and destination level.

These issues are cast on an evolving economy where privatization has advanced but is not yet ingrained or fully sustainable; where public-private partnerships in tourism have not yet coalesced around specific objectives; and where destinations have not yet been positioned or the market segmented to produce measurable gains through competitive cluster strategies.

The consultant accompanied by CCA staff conducted more than 30 interviews in Sarajevo and Mostar between January 16 and February 6, 2006, including public and private sector leadership in both the tourism and cultural sectors. The findings of these interviews confirmed earlier observations concerning the BiH tourism industry made by other consultants, but also uncovered a high degree of constructive activity and direction among cultural leaders and institutions. Indeed, the arts, entertainment, heritage tradition, architectural inventories, restoration, and protection programs have wide public sector support and an advantageous position in Bosnian society. As post-war reconstruction of facilities and audiences move apace (but still with many gaps), the overall cultural picture is both strong and dynamic compared to other similarly situated destinations.

The task of a BiH CCA cultural tourism initiative is to help bridge the divide between culture and commerce through structural improvements, collaborative strategies, incentives, and capacity-building to bring its rich and diverse cultural products to a wider international audience.

## 2. BOSNIA-HERZEGOVINA (BIH) OVERALL

The State of BiH consists of two major Entities, the Federation of Bosnia & Herzegovina (FBiH) and the Republika Srpska (RS). In turn the FBiH is divided into ten cantons. Much legal and regulatory authority is at the Entity and canton levels, but the State is gradually acquiring more functionality.

“West for the East and Oriental for the West, this land is the most completely integrated multicultural society in the world.”

“...(BiH) where history is never buried, and where moving on is a very complicated affair.” —*New York Times*

Paddy Ashdown called BiH, “(Europe’s) last great undiscovered tourism destination.”

### 2.1 Contacts

Siniša Šešum	Sarajevo Project Office for UNESCO
Jean-Dominique Bunel	Bosnie-Tourisme
Ibrahim Spahić	Sarajevo Winter Festival
Sead Krupalija	Passport Travel Company, Sarajevo
Milena Palović	Passport Travel Company, Banja Luka
Ismeta Lakota	BiH Hostel
Šemsudin Džeko	Tourism Association of BiH, FBiH Tourism Community
Mirela Bijelonja	Tourism Association of BiH, FBiH Tourism Community
Selma Karavdić-Gaab	GTZ
Christian Kaufhold	GTZ
Mirela Mulalić Handan	BiH Commission to Preserve National Monuments
Zlatko Hrnjić	Ski Federation of BiH

### 2.2 Current Situation

Meetings were held with NGOs, public agencies, commercial enterprises and international organizations in BiH.

Bosnia and Herzegovina does not have a State-level public sector tourism ministry or promotional agency. The current structure of the tourism public sector reflect the current administrative and political organization of the country. Thus the two Entities have parallel Ministries for Trade and Tourism based in Mostar and Banja Luka. The Ministries in both entities appear to be mainly regulatory, with the RS Ministry also active in supporting development of tourism offer and promotional activities.

The tourism promotion structures reflect the same pattern. At the Entity levels there are two tourism promotion agencies: the FBiH Tourism Community and the RS Tourism Organization. Further the Federation Tourism Community is broken into 10 Tourism Community offices at the cantonal level. The two entity agencies have also established a State-level Tourism Association in BiH, with the sole purpose of coordinating tourism promotion of BiH at international fairs.

At the cantonal level, the administrative units may exist in name, but only a few have a tourism program in place. The tourism offices at all levels are funded from a mandated membership among tourist businesses, and an accommodation tax, that are then distributed at agreed ratios. The State-level Association has no direct funding sources; rather, adequate funds are forwarded from the entity level agencies on an agreed project-by-project basis.

BiH has a stable currency and enjoys normal diplomatic relations with its neighbors. As a post-conflict society that lost nearly 200,000 of its citizens during the 1992–95 war, substantial progress has been made in infrastructure repair and the normalization of everyday life.

Average European visitor flows continue to be depressed, and tourism lags some other economic sectors. One reason, ironically, is that tourism has been enabled by post-conflict aid that artificially supports the hotel and restaurant trade. IDO influence is in decline and will probably soon begin to impact occupancy rates.

The overall goal of BiH economy is to stabilize as a member of the European community. The State is now focused on integrating into EU structures and has received a recommendation from the European Commission to begin negotiations on a Stabilization and Association Agreement, the first step to its entry as a member state of the EU, which could still be more than a decade in the future. Consideration should be given to this geo-political landscape in the planning process for the development of BiH cultural tourism. The operational document that links BiH cultural tourism with EU mandates is the Council of Europe’s “Recommendation (2003)<sup>1</sup> of the Committee of Ministers to Member States on the Promotion of Tourism to Foster the Cultural Heritage as a Factor for Sustainable Development.” (See Annex 1) A panorama of EU structures, policies, programs relating to cultural affairs may be found at [http://europa.eu.int/pol/cult/index\\_en.htm](http://europa.eu.int/pol/cult/index_en.htm).

A decade after the end of the war and the Dayton Accords BiH remains as a transitional economy with most sectors lagging their former Yugoslavian neighbors. In tourism, a large segment of hotel occupancy and related touristic activity are either generated from domestic trade or from the presence of the international donor community. The domestic leisure product is best characterized by the Adriatic seaside destination at Neum and much smaller but growing cultural/retail trade segments in Sarajevo and Mostar. These are supplemented by a substantial number of international religious pilgrim arrivals to Medugorje and by a growing winter ski season.

The distinct competitive advantage of BiH over its popular Croatia neighbor is its cultural heritage and four-season mountain terrain for outdoor recreation, while Croatia’s product is mostly a five-month sea and sun experience. While Croatian villages radiate charm, the product and the demographic are for a coastal rather than historical-cultural experience. BiH enjoys motor coach day-trip excursions through Herzegovina, with a typical itinerary including a Mostar detour along the Split–Dubrovnik corridor.

### 2.3 SWOT Assessment

There are unique, world-class assets as well as many serious challenges for the establishment of BiH international tourist products and their distribution. In Europe the tourism industry’s leisure products have seen better days due to diminished pleasure in air travel, fear of terrorist attacks, and increased airport security procedures and waiting times. In addition, seniors as a primary cohort for BiH leisure travel are faced with recent low performance of retirement funds suggesting some revision of the forecasted leisure travel growth curve.

On the brighter side, “globalization,” according to Peter Keller, Chairman of the Commission for Europe of the UNWTO, “stimulates counter forces...bringing about a renaissance at the local level.” His hypothesis is that *as demand becomes more internationalized, locally influenced products shape supply*. In other words, where there is more output and global consolidation, the services that feed and sustain that output are mostly homegrown. This is of particular important for outpost destinations such as Mostar and Sarajevo as they shape products for international distribution. A preliminary SWOT analysis includes:

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. The BiH asset base includes a distinctive cross-cultural architecture and a multi-cultural traditional population. There is no comparable cross-cultural portfolio of tourism assets in all of Europe.</li> <li>2. A welcoming landscape for touring and outdoor recreation.</li> <li>3. The Ottoman influence makes BiH unique in Europe.</li> <li>4. Regional forecasts for international tourist arrivals 2010–2020 favor SE Europe in increased market share of European arrivals.</li> </ol>
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<b>WEAKNESSES</b>	<ol style="list-style-type: none"> <li>5. Various tourism administrative units are often in conflict or turf-protected.</li> <li>6. Both public and private sector leadership in tourism is fragmented.</li> <li>7. Hotel rates seem fixed at IDO per diem allowances. Occupancy has been driven by IDO and transition-related business and not leisure and discretionary travel.</li> <li>8. There are few inbound operators.</li> <li>9. There is a shortage of qualified employees, particularly in hotel management.</li> <li>10. BiH (Sarajevo, Mostar) are only occasionally packaged as a destination (together or separately).</li> <li>11. Many tourism operators remain in an old business model rather than using an international standard for payment options, commissions, and revenue management.</li> <li>12. Though improving, BiH as a country still faces an unfavorable image in Europe; as a destination, its position on the map is extremely weak.</li> </ol>
<b>OPPTIES</b>	<ol style="list-style-type: none"> <li>13. The market appears interested in new, alternative destinations. The Balkans as a “brand” may be considered to include all or part of Eastern and/or Central Europe, Southeast Europe, or the Adriatic/Mediterranean.</li> <li>14. A UNWTO study indicates interest among Europeans and in North America for off-the-beaten track” and “new” destinations. The same study targets cultural tourism among baby boomers as a high-growth, high-yield market.</li> </ol>
<b>THREATS</b>	<ol style="list-style-type: none"> <li>15. There is little or no meaningful research relating to generating markets, products, and demographics. Marketing efforts are not adequately segmented and targeted.</li> <li>16. Translations for signage, programs, etc. (English, German) are typically not professional. Much needed signage is absent.</li> <li>17. Undisciplined business management can undermine tourism expansion.</li> <li>18. The rule of law in the commercial sector (parking, taxes, etc.) is not well regulated and/or enforced.</li> <li>19. Authenticity in handicrafts, cuisine, music and art are not well-defined. Copyright, certification, standards, and licensing programs are underdeveloped.</li> <li>20. The BiH political divisions tend to create barriers for business and government collaboration</li> </ol>

With respect to donor support, there appear to be mainly sub-national bilateral programs in place in BiH. For example, the Adriatic Cross Border INTERREG Initiative pares Italian and BiH communities for program development including several tourism initiatives. Another is the EU-RED that includes a grant program for “upgrading of the quality of services available to tourists, improvement in the quality and number of tourist attractions in the different regions of BiH, as well as improvement of the tourism market and marketability of BiH tourism products.” Also, their SME program addresses improvement of the business infrastructure, stimulation of exports, reduction in unemployment, attraction of foreign direct investment, and support for business registration procedures, as well as increasing the application of research, technology and innovation in businesses. The French government is providing a technical advisor in tourism to MOFTER.

On the cultural side there are substantial efforts to identify national monuments, provide technical assessments, and prioritize interventions. The BiH Commission to Preserve National Monuments has identified more than 200 sites, developed criteria for stabilization, restoration, and tourism potential, and prepared a tentative priority list for UNESCO World Heritage Site nominations and assessments. At the local level, there are efforts by local NGO’s to improve accessibility and information to heritage sites and attractions.

## 2.4 Next Steps

Product development, capacity-building, adoption of new business models and technology standards are the critical next steps in bringing BiH into the international tourism community.

The task ahead is for the BiH tourism industry to commit to a unified strategy in several priority areas, creating programs that can be funded, designed, implemented, and sustained. An approach to competitive clusters in the primary destinations will benefit from a framework that includes:

1. BiH positioning strategy informed by quality global market research
2. Tourism product development informed by global best practices and standards
3. Streamlined value chain
4. Investment promotion and development finance strategy

### 3. SARAJEVO

“The air is freer in Sarajevo...a charming, sophisticated city.”

“...the city [is] a fascinating destination — exotic, safe, shockingly inexpensive by European standards, stuffed with history.”

#### 3.1 Contacts

Mr Denis Zvizdić	Prime Minister
Mr Abid Šarić	Minister of Economy
Josip Jurišić	Sarajevo Deputy Mayor
Ramiz Kadić	Assistant Mayor for Social Affairs
Elvir Hadžiahmetović	Advisor to the Mayor
Zejna Tesla	Deputy Minister for Trade, Tourism and Catering
Emina Ganić	Sarajevo Film Festival
Altijana Marić	Sarajevo Film Festival
Mevlida Serdarević	Sarajevo Museum System
Jusić Adnan	Sarajevo Handicraft Association
Amela Muhić	Sarajevo Discovery
Halid Kuburić	Sarajevo Arts Agency
Valida Celić Cemerlić	Institute for Protection of Historical and Cultural Heritage Canton Sarajevo
Amra Hadžijahić	Thermal Riviera
Ismeta Lakota	Travel Agency “Ljubica”
Alija Engi	Ministry for Culture and Sport CS
Vjekoslava Stanković-Simčić	University of Architecture

#### 3.2 Current Situation

Cultural tourism in Sarajevo is ripe but not yet harvested. The arts community appears strong and resilient with significant contributions in film and performing arts, painting and graphics. Its architecture is distinctive in both its Ottoman and Austria-Hungarian periods and its cuisine and hospitality traditions provide a pleasing communal thread for the visitor experience.

But the cultural community is leagues ahead of its commercial, governmental and civil society siblings. While the arts flourished before the war and endured even in wartime, the post-conflict ministries that oversee culture, tourism, and trade, and many of its related institutions seem disconnected, indeed, often disassociated with this cultural legacy. In parallel, the tourism sector appears disconnected from the collaborative ethos that characterize the European tourism industry.

While focused product development is critical, so is placement and product distribution. Sarajevo is not properly packaged or linked for worldwide distribution that, in effect, isolates it from the marketplace. Given the number and extent of IDO activity in the city, high hotel occupancy rates mask the negative impacts of this isolation from the leisure marketplace.

Obviously, better distribution means more visitors who will demand more products for a more fulfilling experience. More and better products also mean extended lengths of stay, which for the

leisure segment average hovers around 1.7 days or, perhaps, much less. Interventions, including a small grants program for product development, an SMME loan program, marketing and other assistance will not be effective or sustainable without an underlying sense of a cohesive destination with collaborative and cooperative components. In sum, a competitive cluster needs to be organized and functioning to achieve effective development and distribution of products, including tour routing and interpretation, transfers, inclusive packages, festival and event development and promotion, branding, and capacity-building. A new business model for hotels is needed, including differential pricing and revenue management to adjust for seasonal flows. Partnerships for both commercial and public infrastructure investment are needed.

While Sarajevo’s competitiveness issues track closely with those of BiH, the city is much better positioned to provide leadership and measurable tourism growth in the short term. This is partly due to the perception in the marketplace that BiH is to some degree dangerous, impoverished, and backward, its image tarnished and not suitable as a destination brand while the image of Sarajevo is much more favorable, eliciting both the bygone era of the Olympics (*Sports Illustrated* called the games "the sweetest Winter Olympics of them all."), a sophisticated urban culture, and the exotica of an Ottoman ambiance on its streets. Indeed, the “otherness” of Sarajevo is its strength.

### 3.3 SWOT Assessment

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. Sarajevo’s strength lies in its authenticity, the liveliness of its cultural community, and in the courage of its people during wartime,</li> <li>2. The city center and Bascarsija provide a compact, walkable, visitor experience.</li> <li>3. Small-scale hotels, restaurants, and shops are a competitive advantage, indicative of an enterprising and diverse small business sector.</li> <li>4. The basic local infrastructure – water, power, trams, taxis – is adequate. The evidence of wartime is a poignant reminder without debilitating the urban landscape.</li> <li>5. At least some of the festivals are drawing international visitors.</li> <li>6. Generally, the price of services are below competitive markets.</li> </ol>
<b>WEAKNESSES</b>	<ol style="list-style-type: none"> <li>7. There is no comprehensive tourism plan. Fundamental linkages are not in place</li> <li>8. Cultural and tourism programs are not well integrated</li> <li>9. Revenue strategies for destination management and marketing are probably not sustainable as they are now administered</li> <li>10. Urban environments are littered, dirty; sidewalks often unwalkable</li> <li>11. Museum assets are not well developed or presented</li> <li>12. Inbound receptive operations are virtually non-existent</li> <li>13. Many important natural and cultural assets are unprotected</li> <li>14. Hotels are not rated. Bed tax is often not reported/collected</li> <li>15. In winter, airport frequently suffers delays (occasionally closed) because of fog conditions</li> </ol>
<b>OPPTIES</b>	<ol style="list-style-type: none"> <li>16. Development of a Sarajevo Internet portal.</li> <li>17. Professional arts management capacity-building.</li> <li>18. Hotel management capacity-building.</li> <li>19. Online reservations.</li> <li>20. Online events calendar.</li> <li>21. Development of SMME receptive (inbound) operations</li> <li>22. Enforcement of existing cleanliness and parking regulations</li> </ol>

<b>THREATS</b>	<ul style="list-style-type: none"> <li>23. No State-level leadership in tourism</li> <li>24. No city-canton level cultural preservation agency</li> <li>25. Lack of a cohesive cluster and weak brand.</li> <li>26. Inadequate management controls at enterprise and destination levels.</li> <li>27. Little quality control on cultural assets.</li> <li>28. Little or no application of market research in product development and targeting.</li> </ul>
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### 3.4 Next Steps

Parsing out roles and responsibilities among City, Canton, and Federation official bodies relating to tourism and cultural policies should be a major goal. Having a strategy for the migration of USAID-CCA framework to a sustaining agency is also critical. See Recommendations, page 18.

## 4. MOSTAR AND ENVIRONS

“This is a place that most embodied tolerance and multiculturalism and that’s why it was destroyed.”

Mostar is a medieval European town with strong Ottoman influences (current population: 100,000). Its old city (Stari Grad) and bridge (Stari Most) were formally inscribed on the UNESCO World Heritage List (WHL) on December 15, 2005 after a massive reconstruction effort that followed the devastation of the 1992–95 war.

### 4.1 Contacts

Seneda Demirović Habibija	Agency Stari Grad
Temin Semir	Herzegovina-Neretva Canton Tourism Board
Ramiz Bašić	Herzegovina-Neretva Canton Tourism Board
Grčić Almira	Almira Tours
Jelena Balić	Pelligrino Apartments
Zlatko Zvonic	Herzegovina Museum, Mostar
Ivan Cigić	MC Media
Mili Bijavica	Fortunatrade Tours
Anto Šain	Pilot Cultural Heritage Project
Zvonimor Raguz	Ero Hotel

#### 4.1.1 Agency Stari Grad

Inventory in the designated boundary includes an estimated 120 structures owned by the municipality; 38 owned by the Islamic community; and 43 in private ownership. A WHL Management Plan will guide historic preservation, tourism development, and governance of the site.

On January 1, 2006, The Heritage Council, “Agency Stari Grad,” was inaugurated with a small office and staff. Its mandate is to develop detailed procedures and strategies for continuing historic preservation, training, special projects, agency sustainability and both tourism promotion and regulation in the historic district. Funding of the agency and its work have not yet been organized, but will be based on tax revenues, commercial leases, retail sales, and, perhaps, development projects. I believe EU-RED is now paying the bills.

The consultant was asked to assist in planning for these efforts. The municipality must begin to repay a US\$4 million 30-yr World Bank loan beginning in 2009 at 1.5% interest. There are many important details in the management plan, funding, legal title of properties and other matters yet to be settled.

The consultant’s meeting with Agency was led by Seneda Demirović Habibija and attended by members of the Project Coordination Unit and other staff.

#### 4.1.2 Herzegovina-Neretva Canton Tourism Board

The Board reports a current operating budget of 1.1 million KM and 280,000 Euro in 2006 projects. The Board employs a staff of 20. The Canton has 16,000 registered hotel beds, mostly concentrated in Neum on the coast and Medugorje; Mostar municipality has approximately 1,000 beds. The Board budget is supported by mandatory fees paid by registered tourism businesses and accommodation tax (80% to Canton; 20% to Federation). The work of the Board includes participation in trade fairs, preparation of marketing materials, infrastructure improvements, and product development. They are currently planning a wine route and implementing a signpost plan.

The meeting was hosted by the Board Director Temin Semir and Board Marketing Director Ramiz Bašić.

#### 4.1.3 Private Sector Leadership

For leisure tourism, the leading inbound operator in the region is Fortunatrade Tours. The largest Mostar commercial hotel is Hotel Ero, with a focus on MICE and business clients. There exist differences in program priorities between these businesses and the Tourism Board that were described in both interviews.

The priority projects mentioned by both Mili Bijavica (Fortuna) and Zvonimor Raguz (Ero) included better access to finance and better terms; tourism professional training; and web services for marketing and distribution.

## 4.2 Current Situation

The current Mostar tourism trade is primarily day-trip visitors from Neum, the Croatia coast, tours originating in Split, and a small number of Medugorje pilgrims. Average length of stay is less than four hours, providing significant retail and food and beverage revenue May–November but not substantial accommodations occupancy. Mostar is not considered a destination by tour operators and travel agents, but only a brief stopover.

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. The inscription of the Stari Grad and Star Most on the World Heritage List in December 2005 provides an opportunity for Mostar to evolve into a destination and tour hub. Destination development strategies are achievable if technical assistance, improved finance, and better linkages to the global tourism marketplace are initiated.</li> <li>2. Mostar's advantages include its WHL designation, authentic and dramatic vistas, pleasant climate with a long season, strategic location for surface transportation near heavily- trafficked tourist routes, advantaged countryside attractions, ambiance, and services.</li> <li>3. Air service to Zagreb recently initiated</li> </ol>
<b>WEAKNESSES</b>	<ol style="list-style-type: none"> <li>4. Guiding, visitor services, food and accommodation are adequate for current market but will require a ramp-up in capital investment, training, and marketing as visitation expands.</li> <li>5. Intractable and expensive bank financing; lack of development finance</li> <li>6. Lack of adequate market research.</li> <li>7. Lack of access to global generating markets.</li> <li>8. Inadequate and expensive credit card processing services.</li> <li>9. Lack of Internet training and facilitation.</li> <li>10. Post-conflict trauma and profile.</li> <li>11. Weak branding as a destination.</li> <li>12. Public-private partnerships need improved leadership and governance.</li> </ol>

<b>OPPTIES</b>	13. Mostar can become a viable destination in three years with ongoing planning, public-private cooperation, modest foreign investment and accompanying training and linkages to the global market
<b>THREATS</b>	14. Foreign tour operators (particularly from Croatia) could quickly control Mostar tours if local product development and capacity-building are not initiated.

### 4.3 Next Steps

There appears to be agreement that visioning and strategic planning can proceed in these areas of consensus:

1. Public-private cooperation and governance.
2. Old Bridge licensing program for authentic BiH crafts, local wine and cuisine, guiding accreditation, and special events.
3. New product development and routing to increase length of stay and overnights.
4. Hospitality and destination management training.
5. Internet intermediation and marketing.
6. Dynamic packaging and revenue management.
7. Economic impact study.
8. Improved finance and investment.
9. Calendar of events and events development (Film Festival, music, local cuisine).

### 4.4 Mostar Regional Sites

#### 4.4.1 Blagaj

Site management and operation of the 16<sup>th</sup> c. Derviška Tekija at the base of the rock seemed to be distributed among the Islamic community, a private business, and the municipality. An examination of governance at the site may be useful to understand the nuances of public-private cooperation at landmark sites in the region. Signboard needs better translation. Site needs landscaping, interpretation, and parking. Japanese development agency has had a program there.

#### 4.4.2 Počitelj

This site has extraordinary potential for tourism development and foreign investment. Careful restoration is underway but requires appropriate commercial development and regulation. Underground wiring is evident and most electric/cable/water/sewer have been reconstructed. The whole old town has water now. Wiring for electricity will be completed in the upper part of the town in 2006. Ownership of the structures is private. There is no contact with the World Monument Fund now. In the 1996 Počitelj was on the World List "100 the Most Endangered Sites".

#### 4.4.3 Neretva Canyon

The dramatic vistas of the Prenj and Čvrsnica mountains on the road between Jablanica and Mostar could be developed and designated as a scenic byway with limits on commercial development and signage once the new road is completed. A scenic corridor plan should tie to the Mostar World Heritage assets.

## 5. RECOMMENDATIONS

The working groups, products and linkages contemplated in this recommendation develop horizontally and vertically in tandem over a 28-month period, beginning January 2006 and fully sustainable by April 2008. While this CPM is focused and streamlined on specific cultural tourism benchmarks, other tourism segments (MICE, SAVE, Adventure) may be coordinated to this sequence and timeline.

### Desired Outcomes

Under ideal circumstances, USAID and other IDO support, public sector Canton tourism promotion agencies, the FBiH Tourism Board, related NGOs, stakeholder working groups and private foreign investment can come together to achieve

- Upgraded SMME-level capabilities (i.e., improved products, processes, and capture market segments).
- Improved sector support and markets (i.e., financial, cross-cutting) while opening new distribution channels.
- Improved cooperation and linkages among entities within the value chain (both vertically and horizontally) to stimulate growth, create economies of scale, and increase bargaining power.
- Development of an enabling environment (through and with global, regional, national platforms, fora, mechanisms, governing bodies, etc.).
- Improved destination market opportunities and growth (through cluster development that increase efficiencies of SMMEs, services, product delivery, and offerings to meet changing demands).
- A permanent, sustainable, locally-owned Institute for Collaboration for the BiH tourism cluster

As part of the strategic planning process, M&E criteria should be established to measure progress, identifying specific interventions that impact hotel occupancy rates, average lengths of stay, and other indicators.

### Deliverables

The specific deliverables to advance this strategy include:

- Assessment and Preliminary Findings Report
- European Demand Study
- Regional Meeting Presentations
- Cultural Tourism Strategy Plan
- Projects Feasibility Studies
- Specifications for Web Portal
- Specifications for Cluster Blogs
- Business/Partnership Plan for Booking Engine
- Trade and Public Awareness Initiative
- Technical Assistance and Investment Linkages

### Requirements

The operational assumptions in this plan include:

- Sufficient budget allocation to complete each task.
- Adequate staff and services support.
- Leadership buy-in to the strategic thrust of the plan.
- Both internal and external networking partnerships.
- Capacity-building TA and training as needed.

## **ANNEX 1: Council of Europe Recommendation on Cultural Heritage as a Factor for Sustainable Development**

*(Adopted by the Committee of Ministers on 15 January 2003 at the 824th meeting of the Ministers' Deputies)*

The Committee of Ministers, under the terms of Article 15.b of the Statute of the Council of Europe, having regard to the European Cultural Convention (ETS No. 18), signed in Paris on 19 December 1954, the Convention for the Protection of the Architectural Heritage of Europe (ETS No. 121), signed in Granada on 3 October 1985, the European Convention for the Protection of the Archaeological Heritage (revised) (ETS No. 143), signed in Valletta on 16 January 1992, and the European Landscape Convention (ETS No. 176), signed in Florence on 20 October 2000;

Having regard to the resolutions of the 4th European Conference of Ministers responsible for the Cultural Heritage, held in Helsinki on 30-31 May 1996, and in particular Resolution No. 2 on the cultural heritage as a factor of sustainable development;

Having regard to Recommendation No. R (97) 2 of the Committee of Ministers to member states on sustained care of the cultural heritage against physical deterioration due to pollution and other similar factors, of 4 February 1997;

Having regard to the work carried out in the Council of Europe and in particular:

Recommendation No. R (94) 7 of the Committee of Ministers to member states on a general policy for sustainable tourism and environment-friendly tourism development;

Recommendation No. R (95) 10 of the Committee of Ministers to member states on a sustainable tourist development policy in protected areas;

Recommendation 1133 (1990) on European tourism policies and Resolution 1148 (1998) on the need to accelerate the development of tourism in central and eastern Europe, adopted by the Parliamentary Assembly of the Council of Europe; (emphasis added)

### **The declarations adopted at the European Symposia of Historic Towns by the Congress of Local and Regional Authorities of Europe:**

Bearing in mind the work of other international organisations, in particular the United Nations Educational, Scientific and Cultural Organisation (Unesco), the European Union, the International Council on Monuments and Sites (Icomos) and the World Tourism Organisation;

Acknowledging that tourism helps to bring peoples together, to develop the European identity and to raise awareness of the value of the cultural heritage of peoples in their diversity, while promoting respect for different cultures and constituting a factor for tolerance;

Affirming that the cultural heritage is, in itself, a unique and irreplaceable asset and that its conservation is part of the process of sustainable development;

Convinced that the cultural heritage possesses an intrinsic value greater than its tourist value, that cultural tourism is but one of the uses of this heritage and that its conservation, in its authenticity to be handed down to future generations, is an absolute priority;

Aware of the risks to the cultural heritage, local populations and cultures, constituted by the excessive and uncontrolled development of tourism, and conscious of the risks of cultural uniformity and loss of identity that may result,

### **Recommends that the governments of member states:**

draw on the principles and methods listed in the appendix to this recommendation in drawing up and implementing their tourism and development policies;

ensure the wide dissemination, through each country's appropriate media channels, of the present recommendation, its appendix and its explanatory report to the local authorities and professional circles involved, urging them to put the underlying principles and methods into practice in their local areas.

### **Appendix to Recommendation Rec(2003)1**

#### **Taking simultaneous account of the facts of tourism and the vital need to protect the heritage**

as well as individual buildings, sites and settlements, the cultural heritage of Europe, within the meaning of the present recommendation, includes cultural landscapes, urban and rural, representing the interaction of man and nature. They illustrate the evolution of human society and settlement over time, within the physical constraints and opportunities of their natural environment and under the influence of social, economic and cultural forces both external and internal.

Establishing general frameworks for managing the sensitive relationship between tourism and cultural heritage is essential in order to:

- safeguard the heritage and maintain its authenticity as a priority both for its cultural value and as an irreplaceable asset of the tourism industry;

- make cultural tourism an integral element of sustainable development;

- diversify the supply of tourist activities in the historic environment and extend these activities over the year, in order to avoid the risk of excessive tourism at particular sites, with the aim of mitigating the adverse economic, cultural and social effects of the concentration of tourist flows on a small number of sites of symbolic or emblematic significance, often over short periods of time each year;

- ensure that the specific features of the sites and their fragility set the conditions for access, generally giving priority to individual visitors and families, thus enabling local people to welcome tourists and allow them to better understand the specific value of the cultural heritage. Group visits, however, require specific solutions on a larger scale, from encouragement to restriction in the case of excessive use; management arrangements may vary depending on the time of year;

- restrict excessive tourist access liable to threaten priority uses of sites, for instance those of a religious and spiritual nature; wherever it is necessary, for reasons of conservation or of respect for particular cultures, certain heritage sites should be more strictly protected and visited only for purposes of scientific research.

General frameworks for managing cultural tourism should:

- cover all aspects of the natural and the built environment and of social, cultural and economic policies;

- set general goals based on common aims, expressed through territorial strategies and specific action plans;

- be devised in partnership with all sectors and actors concerned, in order to achieve a shared responsibility for their execution.

#### **Benefiting from cultural tourism in the interests of both development and heritage promotion**

Sustainable cultural tourism is a factor for economic, social and cultural development for the benefit of local communities through the development of quality products and services.

Responsibility for the conservation and enhancement of the cultural heritage should be shared between: political leaders; populations; cultural heritage experts; owners and managers of cultural heritage sites; tourism professionals;

so that benefits and costs are fairly distributed.

To this end, financial mechanisms should be introduced at all levels (national, regional and local) to ensure that the tourist sector makes regular contributions towards:

conservation and maintenance of the heritage; improvement of amenities for the public; compensation for the additional costs generated by tourism.

### **Promoting management methods that take into account sustainable development**

Public authorities should define territorial tourism development strategies which ensure sustainability. In the definition of these strategies, it is essential to involve not only conservation specialists and administrators of monuments and heritage sites, tourism professionals and other economic agents, but also the local communities who are the primary custodians, heirs and managers of the heritage.

These strategies should:

analyse the tourism potential of the heritage concerned;

evaluate the short-, medium- and long-term effects of tourism development on all aspects of the historic, cultural, social and economic environment;

assess the visitor capacity of the heritage concerned, particularly the maximum capacity at any one time, as the basis of defining acceptable limits;

form the basis for the preparation of management plans.

In preparing management plans, authorities should:

take into account any existing development plans concerning the territory;

define the different phases of preparation and implementation of the plan, clarifying the roles of those concerned;

involve all relevant individuals and organisations: heritage conservation specialists; owners and managers of sites; tourism and economy professionals; representatives of public-sector transport; local elected bodies, associations and residents;

delimit an appropriate perimeter, taking full account of the areas through which sites will be approached and any others upon which tourism development will have an impact. Improvement and development projects should never be limited to the heritage site itself.

Management plans should:

define actions designed to give tourists a better knowledge of the places they visit; these could include the creation of visitors' centres, the production of information brochures and educational documents adapted to different audiences and readily available. Quality information should be provided concerning heritage sites where access is limited or which are closed for conservation reasons;

plan for essential amenities for visitors that are no larger than necessary – their location and architecture must be such as not to detract from the cultural heritage or the historic environment. Priority should be given to the use of existing buildings and to the local products and skills utilised;

facilitate access to cultural heritage sites by non-polluting and appropriate public transport as an alternative to the car as the sole means of access;

be drawn up for a given period and be evaluated periodically with a view, if necessary, to adapting the objectives, altering the priorities and revising the working methods or the actions planned, in the light of experience.

## **Involving people in the proper use of resources**

Tourism is a means of access to culture and nature. It should be an opportunity for self-education, fostering mutual tolerance, learning about other cultures and peoples and their diversity, as well as for enjoyment, rest and relaxation. Cultural tourism provides particular opportunities for learning about other cultures through direct experience of their heritage. In Europe, cultural heritage tourism can help to forge the European identity and develop awareness and respect of the cultural heritage of peoples.

The authorities of the member states should draw the attention of those involved in the cultural heritage and tourism fields to the following series of objectives:

- working with tourists and local populations to develop partnerships and effective means of using cultural tourism to promote enjoyment and understanding of Europe's cultural heritage and diversity;

- developing new means of improving awareness of cultural heritage, its nature, diversity and significance, not just at cultural tourism sites, but as a vital role of education at all levels;

- providing appropriate training for personnel receiving tourists about the history and architecture of the site and the problems and possible solutions of heritage conservation;

- drafting a code of good conduct to be given to individual visitors to enable them better to understand and respect the heritage they are visiting, in full awareness of its uniqueness and fragility.

## **Annex 2: Thanatourism Notes**

Thanatourism, also known as dark tourism is defined as visiting sites that have experienced death, such as battlegrounds (e.g. Omaha Beach), cemeteries (e.g. Arlington), disasters (e.g. Johnstown Flood), assassination (e.g. Daley Plaza), attacks (e.g. Pearl Harbor), or places such as Holocaust Museum in Washington. A related series of these sites are represented by the International Coalition of Historic Site Museums of Conscience that include such places as the Gulag Museum at Perm 36 in Russia, District Six Museum in South Africa, and the Liberation War Museum in Bangladesh.

There is considerable discussion concerning such sites in BiH to promote tolerance and historical perspective through the presentation and interpretation of the recent and past wars. One such site is the Tunnel Museum; also notable is the Sarajevo street corner where Archduke Franz Ferdinand was assassinated. The issues surrounding this discussion pose the apparent dilemma between presentations that remind tourists of the recent genocide, repelling them to alternate destinations, and a significant segment of the traveling public with an interest in the whole story. There is a compelling need to incorporate these events into the BiH narrative as part of the region's cultural history.

The consultant believes that it would be a mistake to avoid or even minimize the effects of the 1992–95 war. Indeed, many war-torn buildings should remain as ruins as both a baseline to portray progress and as a reminder of these important events in BiH history.

### **Annex 3: GSTA**

The consultant is among the planners of a proposed Global Sustainable Tourism Alliance that has been organized with USAID/EGAT under the USAID Global Development Alliance program. The framework for this undertaking is relevant to this BiH Cultural Tourism strategy, using a process that includes Assessment, Design and Strategy Development; Destination Partnerships and Management; and Knowledge Management and Learning. The aim of the GSTA is to build, strengthen, and improve the effectiveness and efficiency of the tourism value chain; strengthen policy environments, local tourism boards, and SMMEs to better meet the demands of tourists applying a systems-based approach to cultural tourism development by helping to create consensus, reach common goals, improve communication, and foster collaborative action among multiple and sometimes non-cooperative value chain stakeholders. The desired end result will be a commitment by all participating entities to implement joint initiatives, and transfer a greater level of the financial, promotional, investment, and developmental responsibilities away from international donors to private sector tourism industry leaders and local SMMEs.