

## CEPF Final Project Completion Report

*Instructions to grantees: please complete all fields, and respond to all questions, below.*

<b>Organization Legal Name</b>	WWF European Policy Office, Rome Branch
<b>Project Title</b>	Securing the future of Hutovo Blato Nature Park
<b>CEPF GEM No.</b>	63316
<b>Date of Report</b>	29th of September 2015
<b>Report Author</b>	Francesca Antonelli and Zoran Mateljak
<b>Author Contact Information</b>	<a href="mailto:fantonelli@wwfmedpo.org">fantonelli@wwfmedpo.org</a> <a href="mailto:zmateljak@wwfmedpo.org">zmateljak@wwfmedpo.org</a>

**CEPF Region:** Europe & Central Asia, Mediterranean Basin Hotspot

**Strategic Direction:** 3. Improve the conservation and protection status of 44 priority key biodiversity areas;  
3.2. Develop financial mechanisms that support protected areas while enhancing sustainable livelihood and promoting community management of priority key biodiversity areas.

**Grant Amount:** \$169,846

**Project Dates:** 1<sup>st</sup> of July 2013 – 30<sup>th</sup> of June 2015

### **1. Implementation Partners for this Project (list each partner and explain how they were involved in the project)**

**Public Enterprise “Hutovo Blato Nature Park”** was the main partner and beneficiary of the project. The overall funding provided to protected areas in BiH for management purposes is very limited and even staff salaries are not fully paid (e.g. Hutovo Blato currently receives from the cantonal government about 40% of salaries needed). Additionally, very little or nothing is done to provide protected areas with financial mechanisms that would ensure their sustainable financing. The management of Hutovo Blato Nature Park is almost inexistent in fact, since no resources are available to pay staff and implement management measures. The project was dealing with these issues in full cooperation with the Nature Park authorities.

**Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina (FMOiT)** is becoming the key partner. FMOiT has expressed great understanding of the project and has been very supportive to the project actions. They have not been only passively sharing information but actively contributing to the project’s objectives. FMOiT has accepted the project’s Action plan for restoration of the wetlands of Hutovo Blato, and included it into new Environmental permit for the operation of hydropower plant Capljina. The report that recommends that certain area of the Hutovo Blato Nature Park is proclaimed as an area under IUCN category 1b has been finalised. This Act is to be prepared on the meeting between the representatives of the Ministry. Having the Act in place would enable the

FMOiT to directly fund protection of the area under the IUCN protection category 1b, and on that way to contribute to sustainable financing of the Park.

**Dinarica** is a civil organisation that is programmatic partner of World Wide Fund for nature Mediterranean Programme Office – WWF MedPO in Bosnia and Herzegovina. Dinarica was in charge of implementation of the project activities at the local level.

### **Conservation Impacts**

#### **2. Describe how your project has contributed to the implementation of the CEPF ecosystem profile**

The project contributed to the third strategic direction of the CEPF “Improve the conservation and protection status of 44 priority key biodiversity areas”. More specifically the project contributed to two investment priorities foreseen under strategic direction 3.2. Develop financial mechanisms that support protected areas while enhancing sustainable livelihood and promoting community management of priority key biodiversity areas. The project intended to set up a financing mechanism for Hutovo Blato Nature Park in cooperation with the local authorities, businesses and civil society. By setting up the mechanism the project enables Hutovo Blato Nature Park to have staff able to guard the park from illegal activities and implement management measures necessary for the conservation of the ecosystem and implement restoration activities.

#### **3. Summarize the overall results/impact of your project**

The project has introduced new mechanisms for sustainable financing schemes that would enable Hutovo Blato Nature Park authorities to restore and preserve natural values of the Park. Furthermore the project has increased the number of tourists visiting the park.

#### **Planned Long-term Impacts - 3+ years (as stated in the approved proposal)**

Preservation of natural wealth of Hutovo Blato Nature Park as one of the most important biodiversity hotspots of the Western Balkans

#### **4. Actual progress toward long-term impacts at completion**

The financial mechanism has been identified and opportunities of introducing environmental friendly – ecotourism activities have been explored. The financial mechanism is ready to be implemented and currently in the hands of the Federal Ministry to be applied.

#### **Planned Short-term Impacts - 1 to 3 years (as stated in the approved proposal)**

Nature Park Hutovo Blato is properly managed and operationally sustainable on a long run.

#### **5. Actual progress toward short-term impacts at completion**

Major steps have been taken towards sustainable management of Nature Park Hutovo Blato. Legal procedures are in place and legislative basis are set to have the Park operationally sustainable on a long run.

**6. Describe the success or challenges of the project toward achieving its short-term and long-term impact objectives**

The project proposed financial mechanisms that would lead to the improvement of the management of Hutovo Blato Nature Park. The financial mechanism involves energy companies, who are responsible for the Park's ecosystem degradation into restoration of the habitats. Also, the project developed clear scheme for the involvement of authorities at the municipal, cantonal and entity levels into sustainable financing of Public Enterprise "Hutovo Blato Nature Park", who is in charge for protection of the Park. The project increased the capacity of the Park to act and manage its natural resources through a sustainable money flow based on a financial mechanism on one side and on eco-tourism on the other side. These mechanisms will be running beyond the project lifetime. Hutovo Blato Nature Park was mainstreamed in the bird watching tourism offer by local and international tour operators. At the same time, rangers and guides received trainings about site-specific bird species and other important and characteristic ecological elements of the Nature Park.

**7. Were there any unexpected impacts (positive or negative)?**

The project has delivered Action plan for restoration of the wetlands ecosystem of Hutovo Blato. The Action plan identifies the activities (with relevant budgets) needed to be implemented in next five years to start with the restoration processes. According to the principle "Polluters Pay", three energy companies who are responsible for the wetlands degradation are to be financing the implementation of the Action plan. The resistance of the energy companies about compensating for their impact has been huge. Not only the energy companies are resistant but there is a tendency from other stakeholders to discredit the Action Plan and the whole initiative. This mitigation request is becoming a nuisance for well established structures and financial flows. Therefore most of the stakeholders that benefit of the current structure are not willing to support any change. The energy sector in particular seems to be afraid that Hutovo Blato case would become a precedent, eventually to be replicated elsewhere. The project's approach has been to find powerful allies such as the Federal Ministry of Environment, the Cantonal Government and the municipality of Capljina, who are supportive towards the initiative.

Another key unexpected impact of the project is that WWF is now recognized as an important stakeholder in nature conservation and is frequently consulted spontaneously by relevant administrations (e.g. the Federal Ministry of Environment) on issues related to environment (e.g. to make decisions on EIAs of infrastructures projects).

**Project Components and Products/Deliverables**

**Component 1 (as stated in the approved proposal)**

Building on previous assessments done through a MAVFA Foundation funded project a mechanism for sustainable financing of Hutovo Blato Nature Park will be put in place

## 8. Describe the results from Component 1 and each product/deliverable

The project concluded that biodiversity loss is the degradation of wetland habitats of “Hutovo Blato Nature Park” is caused by the altered water regime. Water allocation and diversion for hydropower generation in conjunction with the planned new developments, would lead to complete destruction of the wetland ecosystems of Hutovo Blato. Beside this, the Park’s ranger service has been no longer operational in Nature Park Hutovo Blato due to massive cuts in the Park’s budget by the owner of the Park, the Government of Herzegovina Neretva Canton. The project recognises that financial sustainability of the Park is of the highest priority for the protection of Hutovo Blato wetlands. Unfortunately Payment for Ecosystem Services (PES) scheme cannot be applied in the case of Hutovo Blato since it requires a voluntary payment approach, which did not result feasible in Hutovo Blato. The project has verified that the Cantonal Government cannot secure sustainable financing for Nature Park Hutovo Blato on its own. Therefore this financial burden is to be shared with other stakeholders that have an interest and/or responsibility to contribute to the financial sustainability of the Park. These are:

1. The energy company “Croatian Community of Herceg-Bosna” (Elektroprivreda Hrvatske Zajednice Herceg-Bosna) – EP HZHB. EP HZHB is the owner of hydropower plant Capljina whose accumulation reservoir, Svitava, is inside the Nature Park Hutovo Blato. The construction of the Capljina plant (in 1979) and its operation implied important negative impacts on the wetland ecosystems of Hutovo Blato. The energy companies of Republic of Srpska and Croatia also use waters of Hutovo Blato, thus WWF intends to explore possibilities to include these two companies as well into a mechanism for sustainable financing of Hutovo Blato.
2. The municipality of Capljina. Hutovo Blato is in the municipality of Capljina. The town is only 5 kilometres away from the Park. Capljina in the local language means heron. Heron is the symbol of Hutovo Blato and Capljina gets the name after the heron.
3. The municipality of Stolac. Part of Nature Park Hutovo Blato is on the territory of the municipality of Stolac.
4. The cantonal government. The Government of Herzegovina Neretva Canton is the owner of Nature Park Hutovo Blato.
5. The federal government. Nature Park Hutovo Blato is on the territory of the Federation of BiH.
6. The so called “Environmental Funds”. There are two Environmental Funds in BiH that Hutovo Blato is entitled to receive: the Federal and the Cantonal Environmental Funds.
7. The agency for water management in the Adriatic basin. The Agency is responsible for water management in the Park.

Several schemes have been explored, detailed and discussed with the potential financial contributors upon which a mechanism for sustainable financing of Hutovo Blato is set.

There are two components of the financial scheme:

1. Payments for the wetlands restoration  
Contributors (energy companies), total €500,000/year:  
EP HZHB - €250,000/year  
ERS - €150,000/year  
HEP - €2125,000/year
2. Payments for the Park’s staff and operational costs  
Contributors (governmental bodies), total €200,000/year:

Municipalities - €50,000/year  
Cantonal government - €50,000/year  
Federal government - €75,000/year  
Environmental Funds - €25,000/year

Different procedures were requested for submitting Official requests for the financial contribution for different contributors. The contributors with whom the project has dealt were the energy companies and the authorities. Specific procedures were required to approach the two energy companies ERS and HEP. EP HZHB is located in the same political entity (Federation of BiH) as Nature Park Hutovo Blato, and legal matters between them can be discussed directly. Communication with ERS instead required facilitation by an inter-entity body for the environment. Communication with HEP finally required the mobilization of MOFTER as this ministry is in charge of any official communication outside the borders of Bosnia and Herzegovina.

The project envisaged the establishment of a coordination body to secure transparent and efficient management of the funds raised. This coordination body must be responsible for decision making on the allocation of funds, tasked with monitoring the conservation effectiveness of the measures implemented. Possibilities to establish a Foundation for Hutovo Blato or some other legal body eligible to receive and disburse the funds, have been explored in details. The idea of establishing a Fund for Hutovo Blato was based on the voluntary financial contribution from the responsible contributors/payers. Unfortunately, the three energy companies responsible for the degradation of the wetland refused to allocate funds voluntarily. Therefore the solution was to force these companies to pay by law and mobilizing national authorities who became the advocate of Hutovo Blato. As a consequence funds will be disbursed to the responsible administration affected by the operations of the energy companies applying the “polluters pay” principle. Such Fund in the Federation of BiH could have been created only as a non-governmental organisation.

According to the law polluters need to pay to the damaged party which in our case is the public enterprise Hutovo Blato Nature park and not the potentially created NGO.

The most advanced negotiations are with the energy company EP HZHB, which is the owner of the hydropower plant Capljina. The plant is located in the Nature Park and it has the most direct impact on the ecosystem. EP HZHB refuses to pay voluntarily for mitigating their impacts because they claim that they are already paying compensation for the flooded land to the municipality of Capljina as well as compensation for water use to the Herzegovina Neretva canton. The project’s strategy has been to use the opportunity of the renewal of the Environmental Permit of hydropower plant Capljina. The current Environmental Permit was issued on 27.10.2009. by the Federal Ministry of Environment without any special requirement to mitigate their impact. Such Permit was also endorsed by the Cantonal Government and the municipality of Capljina. The Permit expired on 27.10.2014. in July 2014, WWF produced the “Action plan for restoration of wetlands ecosystem of Hutovo Blato” and requested from Federal Ministry of Environment to incorporate the Action Plan into the renewed Environmental permit for the period 27.10.2014. – 27.10.2019. The Federal Ministry has accepted the request as well as the municipality of Capljina and the Cantonal Government supported the Action plan. Therefore the Environmental Permit will be used as a tool to force EP HZHB to pay for restoration work. It is important to emphasize the crucial role of the Federal Ministry of Environment because without such close cooperation with them it would be even more difficult to find the most effective way to raise the funds for restoration. Also the important support to this initiative was received from municipality of Capljina and Cantonal Government.

Currently the Cantonal government is 100% owner of the Park, has majority in the Board of the Directors of the Park and responsible for 100% of core funding. The Cantonal government has proved that they don't have capacities to finance the Park on their own. Municipality of Capljina is willing to take over up to 60% of the core funding the Park but in the same time the municipality wants to increase their decision making influence in the Park accordingly. Also the Federal Ministry will be participating in core funding as well. The Cantonal government has expressed the will to pass adequate decision making rights to other governmental bodies. Therefore the process of transferring the ownership rights had been started. Unfortunately it was to be stopped because changes in the Cantonal government due to general elections in BiH that happened in October 2014. Even today, new Cantonal government has not been established and the project has not have a partner to finalise these negotiations in the project's time span.

**Component 2 (as stated in the approved proposal)**

Hutovo Blato Nature Park is recognized and promoted as a European bird watching tourism destination

**9. Describe the results from Component 2 and each product/deliverable**

Hutovo Blato as a birdwatching site was introduced to various tour operators at the Birdfair in Rutland Water Nature Reserve, UK in August 2014 and August 2015. The project and the Park's birdwatching offer were presented at the national eco-tourism fair in Sarajevo. The project team used opportunity that Hutovo Blato Nature Park had its own booth at this fair, to communicate with the tour operators and all interested about the birdwatching offer in the Park. Two promotional articles of birdwatching in Hutovo Blato were published in the relevant tourism magazines, in August and September 2014. Corporation with the Mostar airport has been established and promotional material on birdwatching will be disseminated to travellers of the airport. Also cooperation and promotional material was shared with several tour operators that work in Medjugorje, which receives over a million visitors a year. Eco tourism expert has been contracted in order to analyse and discuss the possibilities on how birdwatching as tourism offer helps to financial stability of the Park, in order to increase capacities of tourism personal in the Park for ecotourism and especially birdwatching as well as to encourage establishment of ecotourism clusters and closer cooperation among the stakeholders. Also the workshop was to improve environmental performance of the board and lodging offer in Nature Park Hutovo Blato as well as to increase capacities of tourism personal in the Park for ecotourism and especially birdwatching. According to the official statistics up to 1,000 people interested in birdwatching has visited Hutovo Blato in the season 2013/2014. They mainly bird-watched from the boats since the bird watching towers and routs are still under preparation.

**10. If you did not complete any component or deliverable, how did this affect the overall impact of the project?**

The financial resources for restoration activities in Hutovo Blato have not been secured yet. This was mainly due to the strong opposition of EP HZHB despite their initial enthusiasm for collaboration. As a result we altered the project's strategy and from the idea of a voluntary payment we considered options that would legally force EP HZHB to pay. The legal approach

was found and put in practice and as a consequence Capljna hydropower plant, owned by EP HZHB has been found to be operating illegally. Recently the Federal government has changed and this has implied staff changes in Federal offices, like EP HZHB. Furthermore a new EP HZHB general manager is to be appointed, creating greater opportunity to finalize the agreement and get funding from them due to a more favourable political setting. In fact the persistent refusal of the current general manager of EP HZHB to sign the Agreement for the Environmental Permit was politically motivated (opposing political parties in government and management of EP HZHB).

**11. Please describe and submit any tools, products, or methodologies that resulted from this project or contributed to the results**

WWF established a team composed of the most influential water regime and biodiversity experts on Hutovo Blato. From 2007 to 2014 and in cooperation with local experts, the WWF expert team analysed the effects of hydropower infrastructure and operations based on a review of existing documentation, personal research and monitoring, and by organising conferences, workshops, meetings, and other types of communications with all relevant stakeholders (government, energy companies, local authorities, NGOs, etc). Additional experts were hired to analyse measures to mitigate and reduce the negative impacts of hydropower on Hutovo Blato's habitats and biodiversity.

All analyses, recommendations, and discussions presented in this document are the result of years of work in cooperation with a large number of international stakeholders and local beneficiaries.

The WWF expert team members were:

1. Dr. Višnja Bukvić, Ornithology
2. Dr. Branko Glamuzina, professor, Ichthyology
3. Dr. Nusret Drešković, Cartography
4. Emil Bakula, B.Sc.C.E., Hydrology
5. Marinko Antunović, B.Sc., Chemical Technology, Water Quality
6. Jure Jerkić, LLB

On behalf of the Hutovo Blato Nature Park public enterprise, the following have contributed to the analysis of the situation, conducted field research, and implemented monitoring:

1. Nikola Zovko, B.Sc., Director
2. Irena Rozić, Master of Ecology, Head of the Nature Protection Department
3. Josip Vekić, Head of the Supervision Department

On behalf of WWF, Zoran Mateljak, M.Sc., was the coordinator of the Action plan development. Francesca Antonelli, M.Sc., Head of the WWF Mediterranean Freshwater Programme, and Dr. Deni Porej, Director of the WWF Mediterranean Conservation Programme, provided support. WWF's activities related to observing the impact of hydropower on the Hutovo Blato wetland ecosystem have been compiled into the Action Plan for restoration of the wetlands ecosystem of Hutovo Blato.

## CEPF Global Monitoring Data

Respond to the questions and complete the tables below. If a question is not relevant to your project, please make an entry of 0 (zero) or n/a (not applicable).

**12. Did your organization complete the CEPF Civil Society Tracking Tool (CSTT) at the beginning and end of your project? (Please be sure to submit the final CSTT tool to CEPF if you haven't already done so.)**

	Date	Composite Score
Baseline CSTT		
Final CSTT		

**13. List any vulnerable, endangered, or critically endangered species conserved due to your project**

Twenty-eight plant species in Hutovo Blato have been added to Bosnia and Herzegovina's list of Rare, Endangered, and Endemic Plant Species, as these meet criteria set out by the International Union for the Conservation of Nature and Natural Resources. The largest number of these (22) is classified as vulnerable (V). Another five – three of which are endemic – are categorised as rare (R). Plants in this last group are usually members of small populations that have not been endangered yet, but that may not be far from being so. Water purslane (*Ludwigia palustris*) is the sole endangered species (E). This means that it is threatened by extinction, should its habitat continue to be subject to deleterious factors, which, in this case, is primarily reduction of water flow that dries its habitat.

Long-term monitoring and study of bird migration has revealed that the migratory birds of continental Europe and part of Asia choose those biotopes that are ecologically similar to biotopes in their homeland for rest and food. Some of the nesting species are *Botaurus stellaris* (endangered in Europe), *Aythya nyroca*, *Charadrius alexandrinus* (endangered in Europe), *Panurus biarmicus* (rare in the region), *Porzana sp.*, *Acrocephalus sp.* and *Rallus aquaticus*.

Fish species of the greatest importance for the biodiversity of Hutovo Blato wetlands, are: Hutovo gobby (*Knipowitschia hutovae*); Dentex trout (*Salmo dentex*); Neretvan nase (*Chondrostoma kneri*); Neretvan roach (*Rutilus basak*); Neretvan spined loach (*Cobitis narentana*); Rudd (*Scardinius plotiza*).

The Hutovo gobby and Neretvan spined loach are threatened during the summer dry season, when significant parts of the Derane lake are dry, leading to the grouping of fish in a smaller water area, competition for food and space and greater vulnerability to predators. The Dentex trout lives in colder streams where the flow is higher and the temperature ranges from 13 to 17°C. The threat is during the summer season, when the flow is reduced and the water temperature rises above the species' biological limits, leading to death or migration to the main Neretva river flow. The Neretvan nase uses the wetlands of the Derane Depression as spawning grounds during the winter period i.e. February and March. It lays eggs on stones, water plants and other available surfaces, such as eel traps. A significant and unexplained recent reduction in spring capacity during February and March led to the exposure of laid eggs to the air and subsequently to mortality. The Rudd and

other non-native cyprinids such as carp and tench spawn at the end of spring and the beginning of summer. They lay eggs on water plants mainly on phragmites where the development of attached eggs should last ten days before hatching. If, during this period, the eggs are exposed to the air because of variations in water level, most of the developing embryos will perish, leading to a reduction in population. Due to higher temperatures and dryness during this period the effects are even more devastating than they are in the case of the nase.

#### Hectares Under Improved Management

Project Results	Hectares*	Comments
<b>14. Did your project strengthen the management of an existing protected area?</b>	7,411	<i>Hutovo Blato Nature Park</i>
<b>15. Did your project create a new protected area or expand an existing protected area?</b>	810.78	Feasibility study to proclaim certain area of the Hutovo Blato Nature Park as an area under IUCN category 1b has been submitted and later accepted by Federal Ministry of Environment. The proclamation is in the procedure.
<b>16. Did your project strengthen the management of a key biodiversity area named in the CEPF Ecosystem Profile (hectares may be the same as questions above)</b>	7,411	<i>Hutovo Blato Nature Park</i>
<b>17. Did your project improve the management of a production landscape for biodiversity conservation</b>		

\* Include total hectares from project inception to completion

**18. In relation to the two questions above on protected areas, did your project complete a Management Effectiveness Tracking Tool (METT), or facilitate the completion of a METT by protected area authorities? If so, complete the table below. (Note that there will often be more than one METT for an individual protected area.)**

Protected area	Date of METT	Composite METT Score	Date of METT	Composite METT Score	Date of METT	Composite METT Score
Hutovo Blato Nature Park	2 <sup>nd</sup> of September 2013	39				

**19. List the name of any corridor (named in the Ecosystem Profile) in which you worked and how you contributed to its improved management, if applicable.**

**Direct Beneficiaries: Training and Education**

<i>Did your project provide training or education for . . .</i>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Brief Description</b>
<b>20. Adults for community leadership or resource management positions</b>				
<b>21. Adults for livelihoods or increased income</b>	15	11	26	Training was held to improve environmental performance of the board and lodging offer in Nature Park Hutovo Blato as well as to increase capacities of tourism personal in the Park for ecotourism and especially birdwatching.
<b>22. School-aged children</b>				
<b>23. Other</b>				

**24. List the name and approximate population size of any “community” that benefited from the project.**

*Municipality of Capljina      Population size of 30,000*

**25. Socioeconomic Benefits to Target Communities**

Based on the list of communities above, write the name of the communities in the left column below. In the subsequent columns under Community Characteristics and Nature of Socioeconomic Benefit, place an X in all relevant boxes.

Community Name	Community Characteristics								Nature of Socioeconomic Benefit												
	Small landowners	Subsistence economy	Indigenous/ ethnic peoples	Pastoralists / nomadic peoples	Recent migrants	Urban communities	Communities falling below the poverty line	Other	Increased income due to:				Increased food security due to the adoption of sustainable fishing, hunting, or agricultural practices	More secure access to water resources	Improved tenure in land or other natural resource due to titling, reduction of colonization, etc.	Reduced risk of natural disasters (fires, landslides, flooding, etc)	More secure sources of energy	Increased access to public services, such as education, health, or credit	Improved use of traditional knowledge for environmental management	More participatory decision-making due to strengthened civil society and governance	Other
									Adoption of sustainable natural resources management practices	Ecotourism revenues	Park management activities	Payment for environmental services									
Municipality of Capljina	x		x						x	x				x	x		x		x	x	

If you marked "Other", please provide detail on the nature of the Community Characteristic and Socioeconomic Benefit:

## Lessons Learned

### **26. Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building. Consider lessons that would inform projects designed or implemented by your organization or others, as well as lessons that might be considered by the global conservation community**

The key to ensuring that the project's actions carry some weight has been transferring responsibility to relevant government bodies. The Federal Ministry of the Environment has endorsed all the project initiatives and thus they took over communication with EP HZHB. The initiative to restore the wetlands could no longer be considered the responsibility of the project but rather of the Federal Ministry of the Environment which is responsible to renew the environmental permit of the plant. A similar approach has been used in the initiative to proclaim part of Hutovo Blato protected under IUCN category Ib. The Federal Ministry of the Environment endorsed the project's Feasibility Study for proclamation of IUCN category Ib in Hutovo Blato, carried out by the project. This is an important part of the financial scheme since such a proclamation would allow Hutovo Blato to receive funds from the Federal Government for IUCN category Ib zones, as prescribed by the Nature protection law. It is also worth mentioning that WWF has requested the Public Enterprise "Nature Park Hutovo Blato" to take a more proactive role. As a consequence the Park has become the main interlocutor with the energy companies with WWF's guidance and advice and with the legal support secured by the project. As a consequence all official letters and requests to local authorities were sent from the Park rather than by WWF. This has brought discussions and exchanges to a higher level.

### **27. Project Design Process (*aspects of the project design that contributed to its success/shortcomings*)**

During the project preparation phase, the project team had several meetings with stakeholders and potential contributors towards sustainable financing of the Park. In that period most of the stakeholders were supportive. Suddenly when concrete actions were required from potential contributors, mainly energy companies, they become not collaborative, but turned even hostile towards the project's initiatives. Therefore, the project's strategies needed to be adapted several times. Thus the project team was forced to move from idea of voluntary participation of the energy companies to finding ways of enforcement or their payments for wetlands restoration.

### **28. Project Implementation (*aspects of the project execution that contributed to its success/shortcomings*)**

The WWF's project team is shifting responsibilities for the project implementation and finalisation towards other project's partners. Federal Ministry of Environment has accepted WWF's Action plan for restoration and its budget. The Ministry incorporated the Action plan into the new Environmental Permit to Capljina hydropower plant of EP HZHB. Since EP HZHB rejected the Action plan, today they operate without the Environmental permit, which is illegal. On the initiative of the Federal Ministry of Environment - the Federal Inspection has already charged fines to EP HZHB. Actually, the Federal Ministry is overtaking responsibility to finalise the agreement between EP HZHB and Hutovo Blato Nature Park on payments for the wetlands restoration. Also the park itself is becoming proactive and taking more responsibilities to finalise agreements with other potential financial contributors.

**29. Describe any other lessons learned relevant to the conservation community**

The application of “polluters pay” principle to deliver funds directly to Hutovo Blato Nature Park disturbed the well- established structures and financial flows. Former allies such as the river basin management agency and the environmental fund considered such initiative a potential threat to their role and position. These two organisations advocated for a scheme that would transfer money to them which in turn would divert it to the Park for restoration activities. WWF insisted though that the Public Enterprise “Hutovo Blato Nature Park” was established for the precise purpose of protecting this area and that hence protection funds should go directly to the Park. As a matter of fact today funds do not reach the Park even though they are collected somewhere for nature protection. The lesson learned hence is not to rush in making agreements but take the time necessary to ensure that they are a long lasting solution One of the main problems in the conservation community is that certain organisations became too bureaucratic and have lost touch with the real conservation issues.

**Sustainability / Replication**

**30. Summarize the success or challenges in ensuring the project will be sustained or replicated**

The payment scheme established for Hutovo Blato Nature Park can be used as template for other similar areas endangered by water allocations for hydropower. Livanjsko polje is one of such areas where WWF is already active to replicate the initiative using the experience gained in Hutovo Blato. There are several other protected areas in the Dinaric arc where similar scheme can be applied.

**31. Summarize any unplanned activities that are likely to result in increased sustainability or replicability**

**Safeguards**

**32. If not listed as a separate Project Component and described above, summarize the implementation of any required action related to social, environmental, or pest management safeguards**

**Additional Comments/Recommendations**

**33. Use this space to provide any further comments or recommendations in relation to your project or CEPF**

Setting up financial schemes for PAs is a lengthy process which requires flexible donors, nevertheless WWF believes that this is key to secure the long term operation of effective PAs. CEPF, funding this project, has played a key role in the start up of this approach in the region and WWF is committed to build up on the foundations created by CEPF project and make a change in the PAs financing of the region.

## Additional Funding

**34. Provide details of any additional funding that supported this project and any funding secured for the project, organization, or the region, as a result of CEPF investment**

<b>Donor</b>	<b>Type of Funding*</b>	<b>Amount</b>	<b>Notes</b>
<b>MAVA foundation</b>	<b>A</b>	10,040	Salaries and office running costs for the local office for the first four months of the project
<b>WWF MedPO</b>	<b>A</b>	9,520	Promotion of Hutovo Blato birdwatching and attending the birdwatching fairs

*\* Categorize the type of funding as:*

- A Project Co-Financing (other donors or your organization contribute to the direct costs of this project)*
- B Grantee and Partner Leveraging (other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project)*
- C Regional/Portfolio Leveraging (other donors make large investments in a region because of CEPF investment or successes related to this project)*

## Information Sharing and CEPF Policy

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. Final project completion reports are made available on our Web site, [www.cepf.net](http://www.cepf.net), and publicized in our newsletter and other communications.

Please include your full contact details below:

**35. Name:** Francesca Antonelli and Zoran Mateljak

**36. Organization:** WWF MedPO

**37. Mailing address:** Via Po 25C Rome 00198, Italy

**38. Telephone number:** +39 06 844 97 227

**39. E-mail address:** [fantonelli@wwfmedpo.org](mailto:fantonelli@wwfmedpo.org); [zmateljak@wwfmedpo.org](mailto:zmateljak@wwfmedpo.org)