

2019  
2022

# Blue Business Incubator

Saving the sea by empowering  
coastal communities.



**Lastovo Activity report**



# Agenda

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# Foreword

The Mediterranean Sea is under pressure, and livelihoods are at stake. Action is urgent to reduce anthropic impacts at sea – by reducing fishing and enforcing MPA management – and on land. This vital shift will only be achieved if coastal communities are empowered to build sustainable way of living. It is to reconnect marine conservation actors with local communities that we designed our community-based entrepreneurship incubator: the Blue Business Incubator. The first one was set up in 2019 on the island of Lastovo in Croatia, in partnership with WWF-Adria, BlueSeeds and ZEF. Its objective is to foster the emergence of small impact businesses, allowing local inhabitants

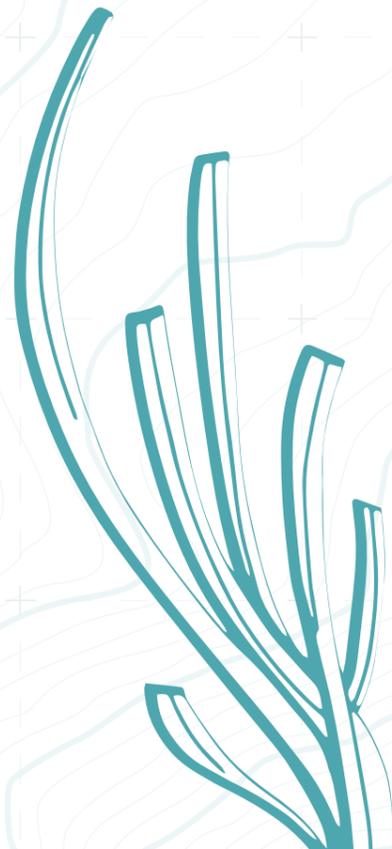
to be the key stakeholders for the protection of marine and coastal biodiversity. Three years later, the incubator has helped strengthen cooperation and synergies among Lastovo's entrepreneurs, contributing to the overall restoration of the archipelago's attractiveness while helping to preserve its environment. The positive feedback from the field motivates us to extend this project to the whole Adriatic region, in order to support even more micro-entrepreneurs.

**The WWF Adria, BlueSeeds and ZEF team, with the kind support of the MAVA foundation**



01.

# Local context



## Presentation of Lastovo Islands

The Lastovo Islands Nature Park is a Croatian archipelago located in the Adriatic Sea, consisting of 46 islands, islets, rocks and reefs (the largest of which is Lastovo). Located about 15 km south of Korčula, they are the furthest islands from the Croatian coast and can only be reached by boat, after a three to five-hour sail. The unique character of the Lastovo islands is illustrated by the presence of several endemic species as well as a rich cultural and historical heritage (stone churches, chimneys...). Its exceptional landscapes and unique biodiversity enabled the archipelago to be declared a Nature Park in 2006. The Park covers 53 km<sup>2</sup> of land and 143 km<sup>2</sup> of marine area.

Once a Yugoslav military base, the island has only been open to tourists since 1989. However, it remains particularly well preserved from the explosion of mass tourism that the region has experienced over the last decade. Its 10,000 annual visitors come here in search of silence and tranquility, far from the mass of holidaymakers. Today, the economy of the island is essentially based on tourism and agriculture (wine and olives). Local initiatives have multiplied in these fields: sports activities (mountain biking, trail running, sea kayaking), restaurants with traditional cuisine, camping, production and sale of local wines....

## Lastovo Fact Sheet

-  **Region :**  
Dalmatia, Adriatic
-  **County :**  
Dubrovnik-Neretva
-  **Area :**  
46,87 km<sup>2</sup>
-  **Number of inhabitants :**  
744 (2021)\*
-  **Coastline :**  
46,4 km
-  **Economy:**  
Agriculture (mostly vineyards and olive trees) and tourism
-  **Status:**  
Nature Park since 2006 (surface: 196km<sup>2</sup>, number of visitors: 10 000 )

# Presentation of the challenges and needs of the island and its population

Like many other islands, Lastovo faces strong socio-economic and environmental constraints due to its insularity. Prior to the conceptualisation of the project, we carried out an integrated diagnosis to understand the challenges of the territory. As a result, three major issues were identified:

The first challenge facing the archipelago is **demographic**. Whereas at the beginning of the 20th century Lastovo had almost 1,500 inhabitants, since the 2000s its population has fallen below 800. The archipelago suffers from its isolation and loss of activities and does not have the capacity to maintain all employment, education, and health services. This lack of opportunity is leading to a **gradual rural exodus** of the inhabitants, particularly young people, to the mainland. Revitalising the archipelago, by promoting **local initiatives** and encouraging **cooperation**, is therefore essential if Lastovo is to regain its attractiveness.

In addition to these demographic challenges, there are environmental constraints.

- One of the main environmental issues identified in Lastovo is **waste management**. The island is struggling to organise the storage and sorting of waste, which has a strong negative impact on the ecosystems (scattering, burning of waste...).
- **Resource management** is also a growing threat. First of all, without any source of drinking water, Lastovo is dependent on the mainland. During the summer, the archipelago suffers from high water stress and the recurrent droughts cause water shortages which are of particular concern to the inhabitants and the agricultural sector. In addition, fishing pressure on marine resources is contributing to the decline in stocks and catches. This decline has a strong impact on Lastovo's economy since it is highly dependent on fish resources.
- Finally, the development of tourism contributes to the **degradation of ecosystems**: anchoring on Posidonia meadows, trampling by hikers, etc. are all examples of impact to be mitigated to ensure the preservation of the island. **Therefore, we consider the optimization of resources and the transition to sustainable tourism as two of the most important environmental issues of the archipelago.**

## Diagnostic research method

- Individual and group interviews
- Observations
- Consultation workshop
- Evaluation of the management efficiency of the Lastovo Nature Park based on 5 pillars:
  - Environment,
  - Finance,
  - Partnership,
  - Team,
  - Innovation

Finally, our diagnosis highlighted a social challenge: the lack of communication and the Park's dependence on changes in government have contributed to a **general negative perception** of the Park. This feeling is shared in particular by some fishermen who perceive the Park only as a restrictive zone affecting their interests. One of the objectives of the Blue Business Incubator is therefore to help improve the social acceptability of the Park, by highlighting its added value, so that it is no longer seen as a restrictive mechanism but rather as a tool for socio-economic development.

To do so, we assume that empowering local communities to develop jobs and generate income from park-related activities will both change their perception of the Park and have a positive impact on local marine conservation objectives.

## 3 main issues

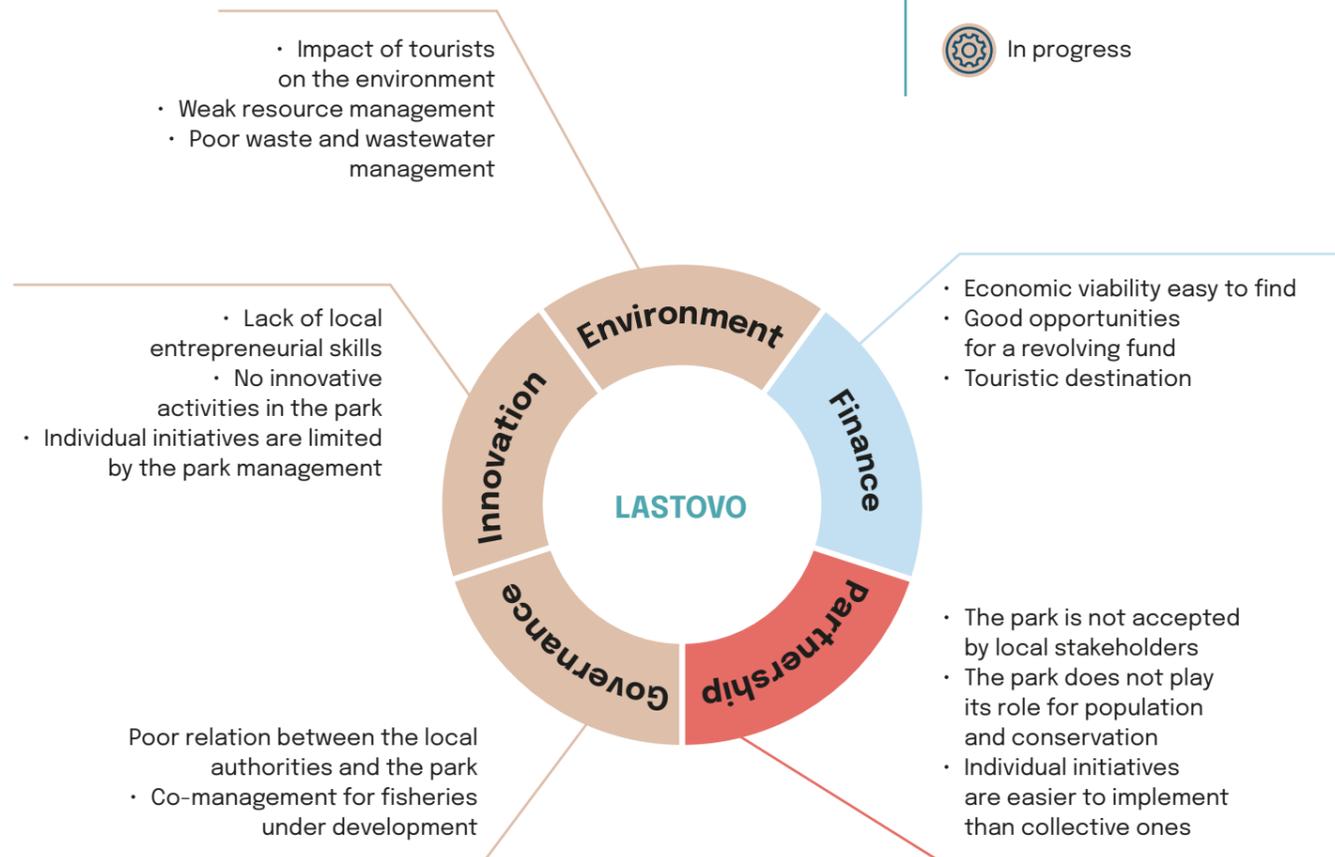
- Enabling the island to regain its attractiveness
- To ensure the social acceptability of the Park by the fishermen and the local population.
- To develop tourism without damaging the wild and preserved aspect of the island.

## Evaluation of the management efficiency of the Lastovo Nature Park, 2019, BlueSeeds

The diagnosis was then adjusted by comparing the results obtained with the vision of the inhabitants. This «bottom-up» approach helped to orientate the project and thus to give birth to the Blue Business Incubator.

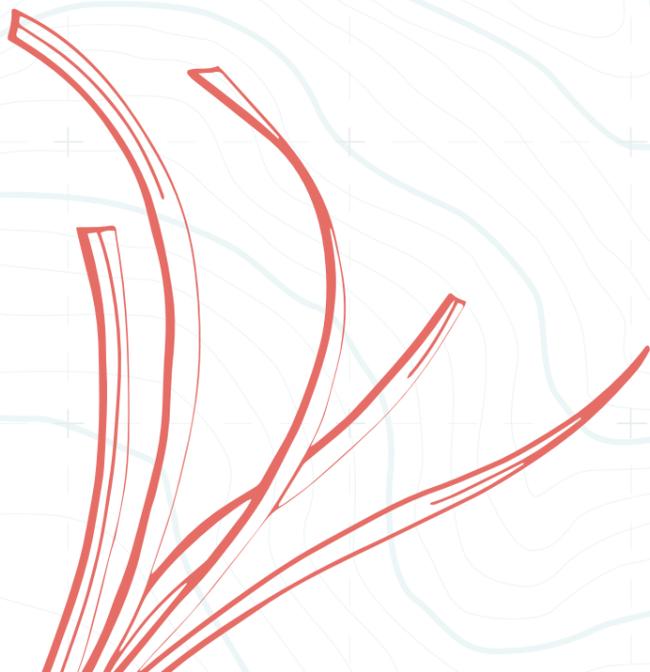
Status of the five pillars of Lastovo's management effectiveness

- Strong
- Missing
- In progress



# 02.

## Our solution: the Blue Business Incubator



### Fitting into the global context

Considering marine conservation as a complex system, the Blue Business Incubator (BBI) chooses to address the limits of conservation through the lever of **local entrepreneurship** and the **blue economy** more broadly. It aims to encourage the emergence of **Blue Business Ideas** (micro-entrepreneurship ideas) so that the inhabitants

become actors in the ecological transition of their environment, and that cooperation is encouraged via synergistic activities with a circular economy perspective. The objective is to make the territory attractive by encouraging entrepreneurship and innovation while placing the environment at the heart of the actions. The aim is to bring

out a common «**sustainable island**» objective and to enable the various players to adapt their activities or develop new ones.

#### The principles of the BBI are based on the principles of the Blue (sustainable) Economy:



**Provides social and economic benefits** to current and future generations, contributing to food security, poverty eradication, livelihoods, income, employment, health, security, equity, and political stability.



**Restores, protects, and maintains** the diversity, productivity, resilience, essential functions, and intrinsic value of **marine ecosystems** - the natural capital on which its prosperity depends.



Rely on **clean technologies, renewable energy,** and **the circular economy** to ensure economic and social stability over time, while remaining within the boundaries of one planet.

#### The Sustainable Development Goals in the Blue Business Incubator

The Blue Business Incubator is also in line with international commitments and aims to make them concrete on the ground. Indeed, the states committed themselves via the COP 26 in Glasgow and the COP 22 for the Barcelona Convention in the Mediterranean to adopt regional measures to support the development of green and circular businesses and to strengthen the demand for more sustainable products. In addition, EU states have signed the Green Deal and the Biodiversity Strategy 2030 to put in place measures to enable the necessary transformative change, such as greater respect for nature in public and business decisions. Finally, BBI contributes to the achievement of several UN Sustainable Development Goals (SDGs):



# Our vision



## The principles of the Blue Business Incubator

**Connection:** connecting stakeholders with other blue economy initiatives around the world,

**Exemplarity:** demonstrating an alternative model of economic development,

**Sustainability:** sustainable financing, resilience, innovation,

**Impact:** activities that generate positive impacts on biodiversity and local populations.



## A positive impact

Within BBI, we focus on reducing human pressure, improving awareness, developing ecotourism, improving livelihoods, creating new jobs, and connecting islanders with development and conservation actors (municipality, Park, entrepreneurs), while preserving environmental, cultural, and social heritage.



## A local context

We want the incubator to be adapted to local issues and shaped by local actors themselves. Therefore, even before the project was implemented, we favoured a bottom-up approach, asking the population about their vision of «sustainable Lastovo». The objective was to better understand the expectations of the inhabitants in order to orient the incubator according to their answers and visions.

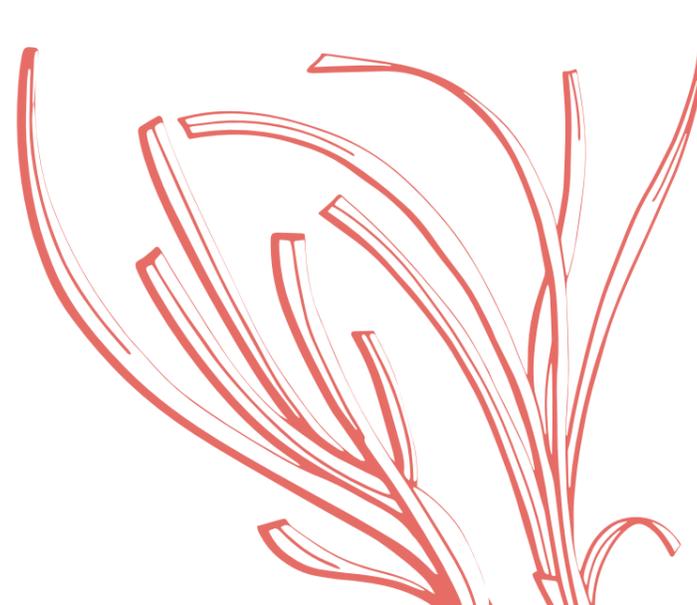
## Areas of work

- Reduce the fishing effort in Lastovo,
- Promote nature tourism on the island: adopt good practices in the development of an environmentally friendly and authentic tourism offer.
- Facilitate the transition to sustainable agricultural practices on the island.
- Contribute to the sustainable management of the island's resources



## Developing an entrepreneurial spirit

In addition to supporting entrepreneurs who already have their business to move towards a more sustainable activity, we also encourage the emergence of innovative and environmentally friendly solutions.



# The timeline

The Blue Business Incubator was originally designed in 5 phases for a duration of approximately one year. Today, four of the five phases have been completed and the last one (launching phase) is still ongoing.

However, the lack of coordination between the partners, together with the covid, have slowed down the implementation of the project considerably. The project finally lasted five years, including a one-and-a-half year break due to the global pandemic.

**The timeline below lists all the activities carried out at each phase of the project :**



# The team



**WWF Adria** works for the sustainable management of protected areas and the conservation of the seas in the Adriatic region. In this context, the NGO pays particular attention to the transition of businesses towards sustainability and the inclusion of civil society in environmental protection and decision-making.



**BlueSeeds** is addressing the challenge of insufficient funding for marine conservation. In this context, BlueSeeds has specialised in exploring alternative avenues, using levies like entrepreneurship or new financing mechanisms to improve the effectiveness, impact and sustainability of conservation projects.



**ZEF (in English, CEF for Cooperative for Ethical Financing)** is responsible for planning and coordination of local economic development, packages with support measures to municipalities, support to local BBI coordinators and development of funding mechanisms.

**Project co-funders**

## Project Leader

General coordinators, training of trainers (WWF or ZEF), communication in the Adriatic region, environmental monitoring and jury for funds eligibility.

## Technical assistants

Development of the BBI package, process manager and back-up support, impact measurement and support for international communication and jury for funds eligibility.

## Funding facilitators

Responsible for local funding mechanisms, package development for municipalities support, BBIs sustainability, training of trainers (ZEF or WWF) and jury for funds eligibility.

**Role in the project**

# Meet our entrepreneurs!



## 1 Mila BLASKOVIC E-bikes:

To enrich the island's tourism offer and limit carbon emissions, Mila is proposing the development of electric bikes. This project will offer a new way to discover Lastovo's landscapes and biodiversity while helping to raise environmental awareness.



## 4 Toni VODANOVIC Bulky waste:

Determined to act for the preservation of his island, Toni set himself the goal of helping with the waste management of his island by collecting bulky waste. He collects all types of waste, refrigerators, washing machines, cars, which he then sells to a company located in Split.



## 5 Ivan Jurica GANGO Ship building:

Former professional boat builder, Ivan turned to the construction and repair of traditional wooden boats called Kalafat. His offer benefits the islanders who call him directly for repairs. The project is also environmentally friendly as it encourages the use of wood rather than plastic which pollutes ecosystems on a long term and repeated basis.



## 6 Cooperative

Comprising five fishermen and two farmers, the cooperative joined the incubator one year ago. Its aim is to encourage cooperation between local fishermen and farmers and to enable the development of sustainable fishing and farming practices by linking them to markets where better quality goods are required. Because of its participatory nature, the cooperative is also a vector of social links on the island.



## 2 Ivica and Helena LESIC Fishing tourism:

Ivica and Helena are fishermen. Realising the increasing pressure on the region's fish resources, they launched a pescaturism business with the dual objective of reducing the use of their fishing gear and promoting a more sustainable fishing to tourists.



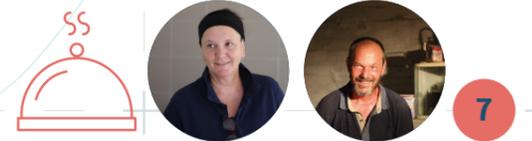
## 3 Marijo BACKO Wineyard:

Marijo is a winemaker. His wish is to revitalise the island of Lastovo by offering tourists a vineyard experience: traditional harvest, demonstration of traditional methods, picnic, wine tasting and a visit to a mini zoo for children. By linking its eco-production activity with eco-tourism, Marijo fully inscribes its project in the circular economy.



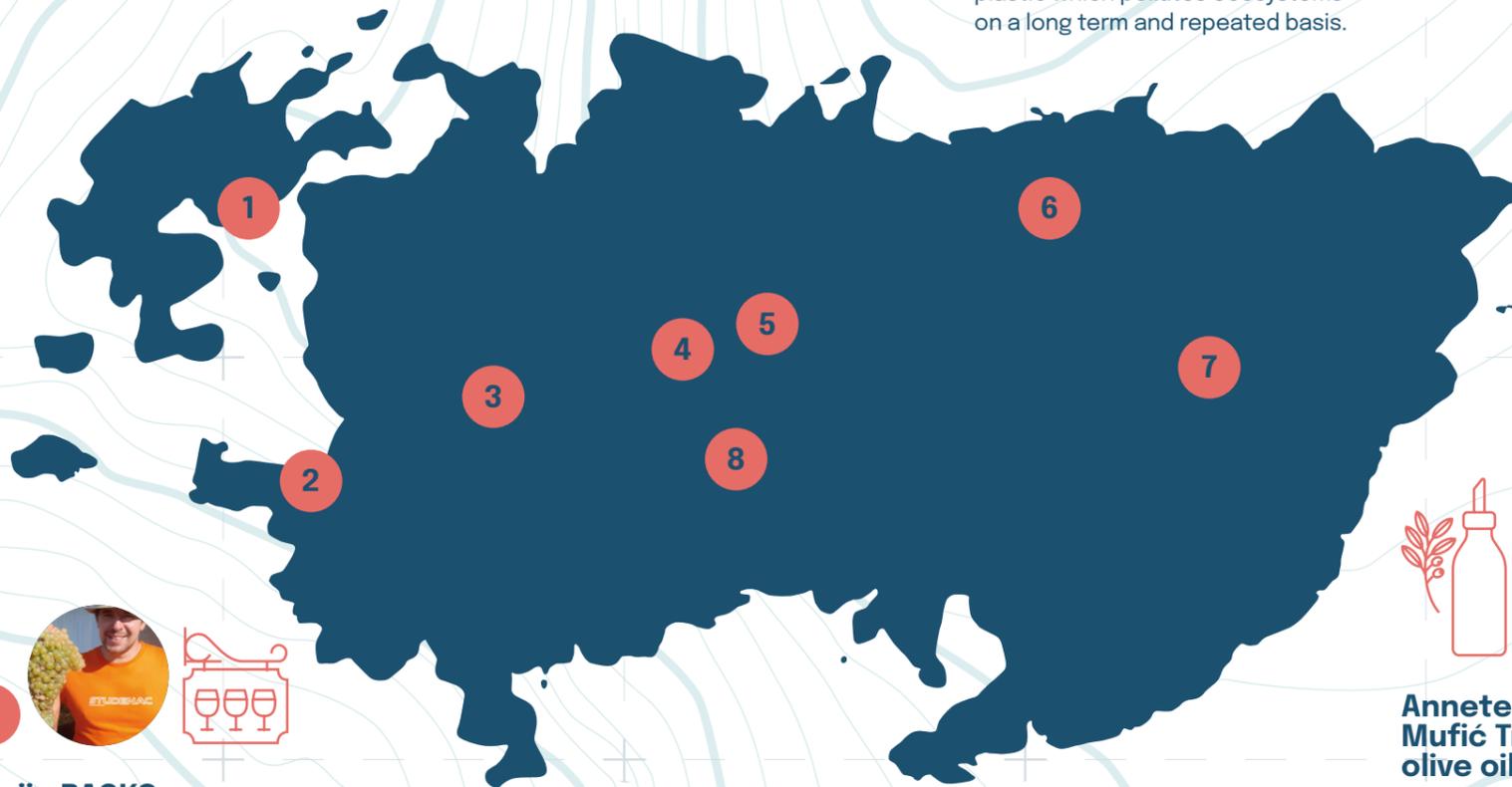
## 8 Annete and Zoltan Mufić Trojković olive oil production:

Annete and Zoltan have been farmers in Lastovo for over 22 years. Owners of the largest olive grove on the island, the couple is constantly committed to the development of olive growing while promoting sustainable agriculture. They aim to create a cooperation between the olive growers of Lastovo, in order to increase the production of Piculja olives, to renew the old olive groves and to allow the farmers to benefit economically from this cooperation.

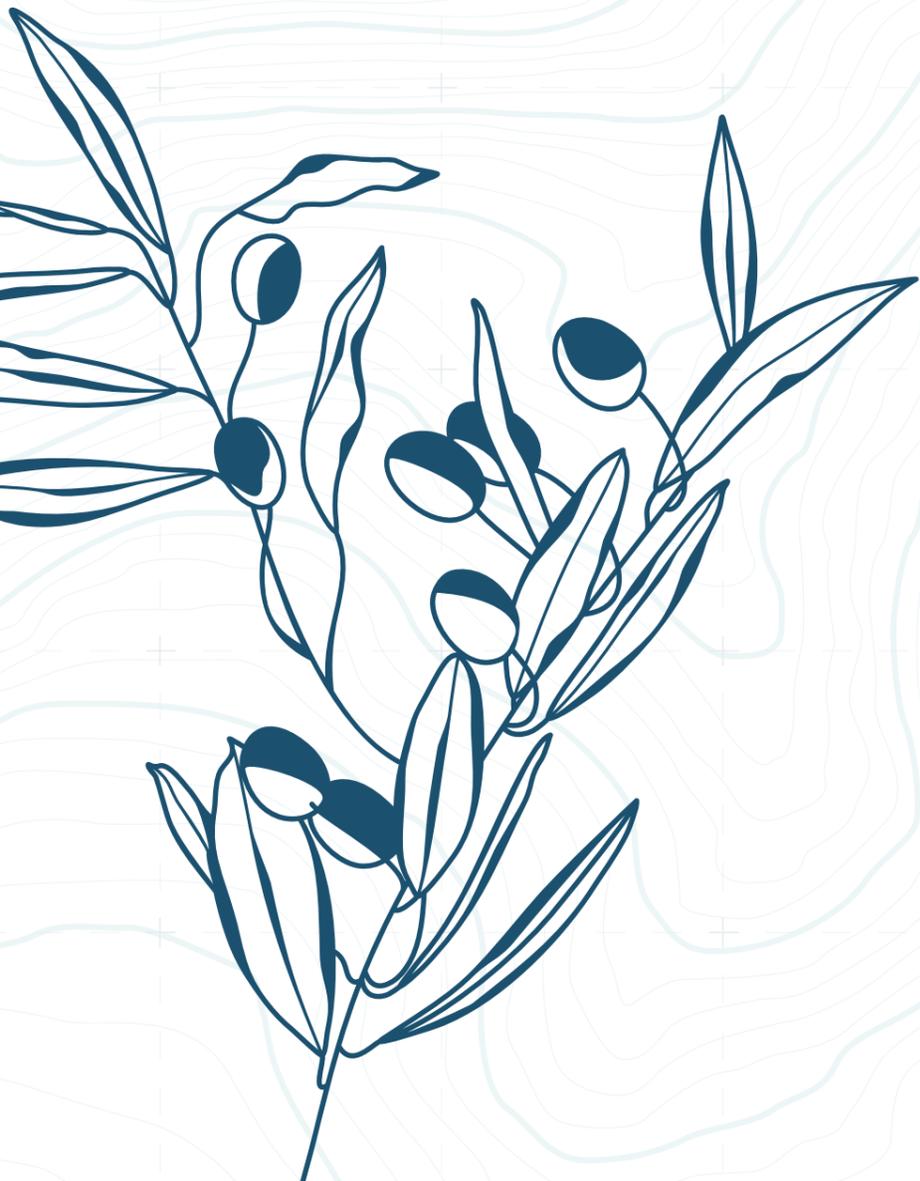


## 7 Nataša/Željko Bokor Slowfood restaurant:

Seduced by the tranquillity of the island, Natasa and Zeljko moved in Lastovo in 2014. Their original plan was to develop farm tourism. But having faced some difficulties, the couple took advantage of the plasticity of the incubator to embark on a project of a slow food restaurant based on organic and homemade products..



## 03.

Impact of  
the project

## 01. Sustainable economic development

## Contribution to the economic development of entrepreneurs

Building the financial capacity of entrepreneurs is essential to ensure the sustainability of their project. This has been done in concrete terms through:

**1. Assistance in the construction of a business plan.**

**2. The provision of financial loans.**

**3. Support to access European fund.**



8

**entrepreneurs coached**

**1. Assistance in the construction of a business plan.**

Based on the observation that most entrepreneurs had not developed a solid financial strategy for their project, we developed a module to help them build their business plan. The coaching allowed them to have a clearer vision of their project in the long term and to better structure their ideas. For some, this training was an opportunity to realize that their economic model was not viable, requiring them to redefine their priorities.

**3. Support to access European fund.**

Finally, three consultants were recruited to help some of the entrepreneurs access European funds. As the work is still in progress, none of the entrepreneurs has yet been able to benefit from European funds, but the support provided is a first step towards obtaining them. To be continued!



€14.000

**loaned in total**

**2. The provision of financial loans.**

Originally, the incubator was not intended to provide a financing facility; it was simply designed to help the development of Blue Businesses and facilitate their access to funding available on the market. However, as the project progressed, the team realised that a key need and the first source of blockage for the entrepreneurs was financial. The provision of financial support therefore proved to be mandatory to have a real impact in the development of entrepreneurial projects.

The revolving fund system was therefore devised to provide financial loans to entrepreneurs at the lowest possible rates. The rationale for going for loans and not grants is based on the saying "better to teach how to go fishing than to give a fish". Our vision is to create sustainable businesses that can reimburse a loan as they are profitable enough. This is the best way to create long term impact, and not to have entrepreneurs who are under financial perfusion. However, these funds were mobilised late, which explains why entrepreneurs were for a time demotivated, waiting for the financial loan to be able to move forward with their project. Not only is there no doubt that financial support must be provided to future Blue Businesses, but this funding must be mobilised quickly during the incubation phase, in order to remove blockages at this level from the start.



## Revitalisation of a neglected area

The economic development of Lastovo is complicated by its geographical remoteness. Its major challenge is to become independent of the mainland while at the same time revitalising its economy.

With nearly 10,000 visitors each year, tourism is proving to be a major source of income for Lastovo. More and more tourist residences are being built every year, which encourages mass tourism and threatens the very idea of a nature park. Therefore, in order for tourism in the archipelago to be part of a **virtuous economic development**, it is essential that



### 1. Economic viability:

Formerly focused on agriculture and fishing, tourism is now an integral part of the archipelago's economy. In order to continue this dynamic, the incubator has encouraged projects focusing on sustainable tourism. Thus, to date, **5 of the 8 entrepreneurs** part of the incubator have an activity based entirely or partly on tourism (Natasa and Zelko with their slowfood restaurant, Ivica and Helena and their fishing tourism project, Marijo and his vineyard and Mila and her electric bikes).



### 2. Partnerships:

the BBI encourages the creation of **synergies** between various sectors that were not or hardly connected before (agriculture, fishing, catering, cultural and sporting activities, etc.). Indeed, the innovative character of the incubator lies in the fact that several of the incubated projects have managed to rethink

it be linked to the specificities of the territory and that it be the result of the will of local actors. It is within this framework that the BBI has promoted the development of **alternative tourism**, respectful of the environment and active in its protection. **The impact of the incubator is apparent on two levels:**

These initiatives contribute to the revitalisation of the area. On the one hand, this offer of alternative tourist activities attracts a new kind of clientele who come to Lastovo for unique experiences (for example, Ivica and Helena invite tourists on their boat and show them the behind-the-scenes fishing). On the other hand, they help to create jobs that cannot be relocated, which is a real added value for the locality.

their sector of activity and link it to sustainable tourism. This is the case, for example, of Ivica and Helena or Marijo, who have combined their respective activities of fishing and agriculture with ecotourism, thus proving that tourism can benefit these sectors and that their interests are not antinomic.

## 02. Social link and empowerment

### Promotion of social ties

The diagnosis carried out when we arrived on the island in 2019 revealed a strong lack of trust in the Park by the population. This feeling of mistrust was largely shared by fishermen, who see the Park's activities as an attack on their economic and financial interests. The challenge was therefore to re-establish a dialogue between the island's stakeholders and the Park. Three years later, mistrust of the Park is still relatively high. Nevertheless, the BBI is helping to gradually open up the dialogue. This was particularly noticeable during the call for expressions of interest: while one of the compulsory criteria for joining the incubator was to have a link with the Park (which could have been a potential brake for the inhabitants), the number of applications largely exceeded our expectations with 22 applications received out of the 700 inhabitants of the archipelago. This enthusiasm is the result of a long process during which the added value of the Park was highlighted as well as the complementarity between conservation and the island's economic activities.

### Empowerment of women

The BBI places particular emphasis on supporting women in building their projects. The incubator aims to promote women's entrepreneurship and encourages them to create their own businesses, thus helping them to achieve financial independence. It also indirectly contributes to the integration of women in the political, economic and public life of Lastovo.

### Development of a new context for cooperation, exchange and partnership building.

Based on the principle that cooperation is the key to success, the BBI has for the past three years maintained a logic of interdependence, mutualisation and optimisation between entrepreneurs. The incubator highlights synergy and promotes the coordination of the island's activities. For example, some fishermen now turn to Ivan to have their boats repaired rather than going to the island of Korčula, which is the closest place to go in the event of a technical problem. This is a win-win situation: at the same time as they support Ivan's business, the fishermen benefit from a significant saving in time and money for their activity. This dynamic is all the more justified in a context of dwindling resources. The pressure on fisheries resources in the region has justified the creation of a fishermen's and farmers' cooperative in 2021, the result of more than three years of discussions. These discussions were conducted under the aegis of both the BBI and SSF projects and were necessary to reassure the fishermen, who are used to working in a competitive framework. As the initiative is new, the action is currently focused on the fishermen only. The cooperative is helping them to move towards more sustainable fishing by improving the quality of their fish and linking them to sustainable markets: they are therefore working together and cooperating to cope with a particularly competitive market. In the longer term, the aim is to unite fishermen and farmers to create and sell processed goods from their respective activities (e.g. a jar of fish caught on the Lastovo coast and preserved in oil produced on the island).

### The four women of the incubator:



**ANNETE**

In addition to being the manager of the largest olive grove in Lastovo, Annete is active in the civic life of Lastovo. She is the president of an association for the integration of young and old people and has also run for the municipal elections in 2021.



**MILA**

Mila has a real entrepreneurial spirit! In addition to her electric bike business, for which she receives support from the incubator, Mila is also the head of a kayak rental company, which she runs very proactively with her husband.



**NATASA**

Natasa is a strong-minded woman. When she and her husband had to give up their goat farming project, Natasa immediately set about opening a slow-food restaurant. The couple also joined the cooperative of fishermen and farmers set up under the Blue Business Incubator, of which Natasa is the assembly president.



**HELENA**

While women are struggling to find their place in the fishing industry, Helena shows that they can play a crucial role! In her pescaturism business, which she runs with her husband, tasks are shared equally, and decisions are taken together. Helena is responsible for some of the cooking for the tourists, for the administrative responsibilities and for the maintenance of the boat.

## 03. Preservation of resources and biodiversity

**The primary objective of the incubator is to promote the protection, maintenance and restoration of marine ecosystems, the natural capital on which the prosperity of the territory depends.**

NB: It should be noted that an environmental impact is always negative. The BBI works to limit the consequences of human activity on the environment.

### Reduction of pressures on the marine ecosystem

**The BBI has an impact on the marine ecosystem. A distinction should be made between direct and indirect impacts:**

At this stage, only Ivica and Helena's project has a direct impact on the marine environment.

- The couple reduced their fishing days from an average of 250 to 100 fishing days (about 60% reduction). Of these 100 fishing days, 80 days are devoted to tourist fishing, which has allowed them to reduce the use of their fishing tools. The remaining 20 days are devoted to «proper» fishing with longlines and traps.
- In addition, the two fishers have invested in more selective fishing gear that is better suited to sustainable fishing. They now only cast 300 metres of net instead of 3000 meters (about 90% reduction), which has allowed them to divide their catch by 4.
- Finally, the couple pays particular attention to raising awareness of the preservation of the marine environment during the excursions they offer.

Thanks to the support provided by the incubator, the cooperative was able to access the European Maritime Fisheries and Aquaculture Fund to acquire more sustainable fishing tools. Nevertheless, having joined the incubator recently, it is still too early to assess a positive impact of the cooperative on the marine environment.

Through their activity, the other incubated projects have an indirect impact on the marine environment. Although it is more difficult to establish a causal link between their project and the preservation of the marine environment, their impact is not negligible. For example:

- With his wooden boat repair project, Ivan encourages second hand and promotes the use of materials that are less polluting for the environment (in particular the construction of boats with wooden hulls rather than plastic).
- Annete and Zoltan's project is based on sustainable, chemical-neutral agriculture with minimal impact on the environment and ecosystems.
- By facilitating the storage and encouraging the reuse and recycling of waste, Toni's project is fully in line with the transition to a circular economy and helps to preserve land and marine ecosystems.

### Creation of a specific local dynamic around sustainable development and the preservation of ecosystems

While this impact is difficult to measure, the team is seeing a real change of mindset that goes beyond the incubator itself.

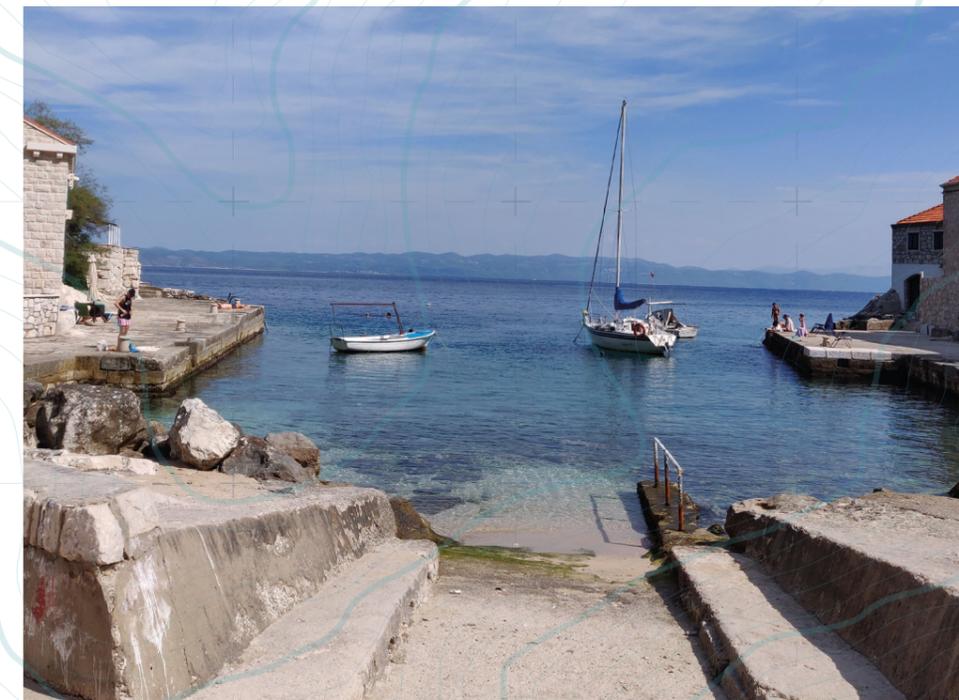
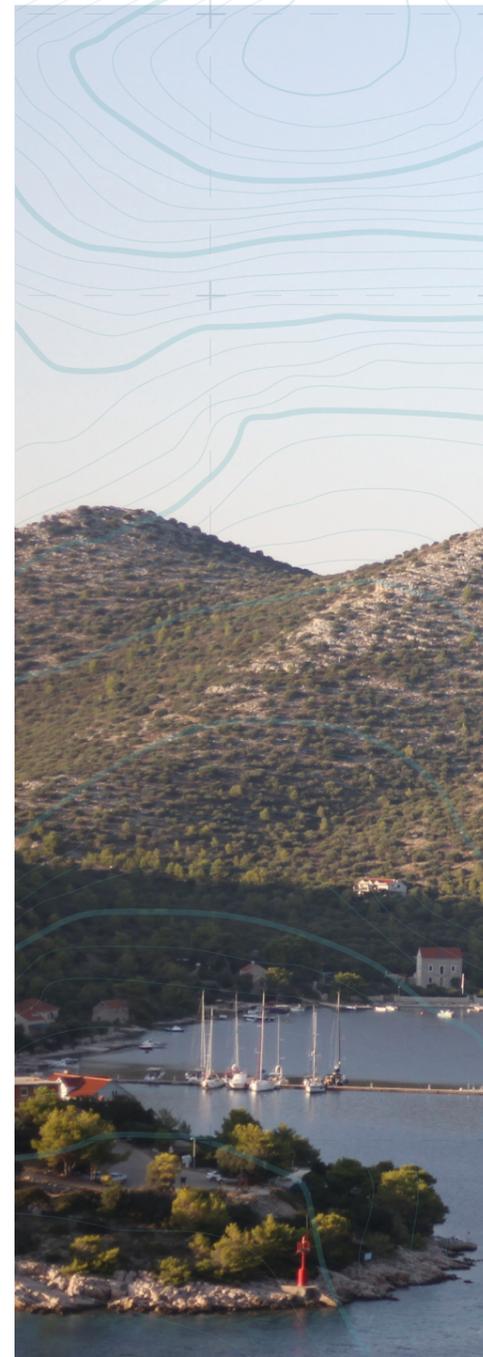
First, at the incubator level, the increased interest of residents in joining the project shows that they now see the positive impact that sustainability can have on their business.

This opening towards sustainability is also observed in a more general way at the scale of the island. More and more individuals and associations offer activities oriented towards sustainability: marine waste collection, activities for children, workshops on waste management... In addition, some activities, first proposed within the framework of the incubator, have now been taken over by the Park, such as the ghost gear collection.

This awareness of the inhabitants to the preservation of the environment is a combination of the dynamics launched by the incubator and the general tendency to Lastovo towards sustainability for a few years.

## Methodology

- ✓ **Mode of impact assessment:** an ex-post analysis was carried out.
- ✓ **Mode of data collection:** individual interviews, field observations, and a literature review were used to collect the data for this report.
- ✓ **Limitations of the study:** The lines between the impact of the WWF SSF project on Lastovo and the impact of the BBI are sometimes blurred as both projects were conducted at the same time on the archipelago. **Therefore, the impacts of the BBI cannot be dissociated from the impacts of other projects on the island and the natural evolution of the territory.**



# 04.

## Recommendations for regional expansion

While the analysis carried out in the previous section highlights the positive impacts of the incubator, it also highlights the shortcomings of the project. In order to learn from our mistakes, we analyse these shortcomings below and suggest ways of improving the implementation of a second phase of the BBI. These recommendations are intended to improve the implementation of the incubator in Lastovo, but also to help launch future incubators.

### Turning our ambitions into more impactful actions

We are building on the lessons learned in Phase 1 to ensure that in the future we can best meet the expectations of entrepreneurs and have a concrete and rapid impact on the ground. This involves:

#### Mobilising funding earlier:

the incubator was not originally intended to be a donor; it was simply intended to help the development of Blue Businesses and facilitate their access to grants. However, as the project progressed, the team realized that the main need and the first source of blockage for entrepreneurs was financial. The provision of financial support therefore proved to be mandatory to have a real impact in the development of entrepreneurial projects.

**The revolving fund system** was therefore devised to provide financial loans to entrepreneurs at the lowest possible rates. However, these funds were mobilised late, which explains why entrepreneurs were demotivated, waiting for the financial loan to be able to move forward with their project. Not only is there no doubt that financial support must be provided to future Blue Businesses, but this funding must be mobilised quickly during the incubation phase, in order to remove any blockages at this level from the start.

#### Local coordinators:

Local coordinators play a crucial role because they are the ones who accompany entrepreneurs daily and ensure that information is passed on to partners. Here are some recommendations for the selection of future local coordinators:

- The application of the local relay must be made on a voluntary basis, without one of the partners trying to convince them to take on this role. This is a first guarantee of the person's commitment throughout the project.
- The local relay must have a relationship of trust with the population and be recognized within the community.
- The local contact person must live locally to be able to support the entrepreneurs in their project daily. This is even more important as entrepreneurs generally have constraints and ways of thinking that require them to limit digital and remote support as much as possible.
- The local relay must have English skills to be able to pass on information to partners.
- The local relay must have basic administrative and bureaucratic skills.

The tasks expected of the local relay should be clearly defined and framed in a contract signed by all parties.

**Provide better support to entrepreneurs:**

- **Personalised training:** The incubator provides Blue Businesses with personalised technical assistance to help them develop their project. As none of the members of the partnership felt legitimate to provide training on entrepreneurship, we decided to use an external consultant. However, their proposal was not in line with the BBI's 'sustainable' ambitions, so no training took place. This inconclusive experience showed that using an external consultant for entrepreneurship training is risky because they usually have little expertise on sustainable entrepreneurship. It is therefore preferable that the people acting as local incubators train and deliver the training to the inhabitants themselves. The benefits are twofold: on the one hand, we ensure that the training provided is in line with the BBI's sustainable ambitions and the needs of the entrepreneurs. On the other hand, entrepreneurs are more likely to receive training from someone they know and trust.

- **Practical tools:** In addition to personalised technical assistance, phase 2 of the Blue Business Incubator will offer a set of practical tools for local coordinators and entrepreneurs. Among the options envisaged: standard business plans, documents on regulation, guidelines for the preparation of grant applications, etc.
- **Daily support:** As we were not on the ground on a daily basis, we were not always there when the entrepreneurs really needed us. It is up to the local coordinators to take up this challenge, by being on site as often as possible to provide the best support to the local community.

**Keeping flexibility:**

Over the past three years, the incubator has evolved a lot. On the one hand, the project of some entrepreneurs has changed. This is the case, for example, of Natasa and her husband who abandoned their first project (goat breeding) for lack of money and embarked on a new challenge, that of opening a slow-food restaurant. On the other hand, some entrepreneurs who did not apply during the call for expressions of interest later expressed their willingness to join the project. Thus, both Antonio and the cooperative joined the incubator several months after its launch. It is therefore essential to keep this flexibility in order to be able to adapt the incubator to the needs and new ideas of the local population.



# Ensuring better project management

The partnership we formed between WWF Adria, BlueSeeds and ZEF showed a strong willingness to help the entrepreneurs with their project and a real motivation to continue this project on a larger scale. However, this first phase in Lastovo was marked by a general lack of structure, which led to poor organization among us and limited impact on the ground. Four areas for improvement should be considered:

- **General course of the project:** To better reflect the realities on the field, we have revised the steps as follows



## Identification phase

- Site diagnosis
- Identification of stakeholders
- Establishment of local consultative committee



## Launching phase

- Community meetings
- Call for Blue Ideas
- Support for the development of business model and business planning
- Selection of Blue entrepreneurs



## Incubation phase

- Training and personal assistance
- Consolidation of a sustainable business model
- Facilitation of access to funding



## Monitoring phase

- Monitoring of environmental and socio-economic impacts
- Adjustments



## Sustainability

- Closure of the project support
- Set up an annual committee to follow up with key partners
- Capitalisation and replication

- **Ensure a better distribution of roles:** from the beginning of the project, the division of responsibilities between the WWF Adria, ZEF and BlueSeeds teams was unclear, leading to blockages in the implementation of the various activities. This confusion contributed considerably to slowing down the project. For the next phase, the roles of everyone should be precisely defined at the beginning of the project.
- **Use appropriate tools:** The management of the project was made more difficult by the fact that no management tools were used to monitor the project. This led to a loss of valuable information between years and a lack of overall monitoring, particularly regarding the budget and timetable. The partners will therefore equip themselves for phase 2 with powerful management tools with knowledge databases and toolkits (business plan templates, outline, grant application process, expert contacts, etc.) that will make it possible to monitor all the incubators supported under the BBI. One of the preferred options is the use of the «Notion» tool, which should enable more efficient management of tasks and optimize the circulation of information between all partners.
- **Define clear deadlines:** the implementation of the BBI in Lastovo was marked by periods of latency during which no activities were carried out. This is partly due to Covid but also to the lack of structure described in the paragraphs above, resulting in a delay in the implementation of the project. With several incubators planned for Phase 2, it will be essential to construct a clear timetable and set strict deadlines; progress must be regularly assessed to ensure that the previously defined deadlines are met.

# 05.

## Annex

Find out more  
about the entrepreneurs



### Annete and Zoltan Mufić Trojković – olive oil production

Date of integration  
of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Business plan
- Specific support for obtaining agricultural eco-certification and for applying to EU fund
- Loan from the BBI's revolving fund

The Sustainable Development Goals :



Strengths :

- Business model and business plan already mature
- Strong cooperation with other farmers
- Green production
- Economic branding for Lastovo



Weaknesses :

- High financial need
- Little connection with the Park
- Low harvest due to drought

### Cooperative

Date of integration  
of incubator :

2021

Support provided :

- Specific support for the creation of the cooperative
- Business plan

The Sustainable Development Goals :



Strengths :

- Only one active fishermen's grouping (a fishermen's association exists but is only marginally active)
- Promotion of sustainable practices
- Synergies between farmers and fishermen



Weaknesses :

- Limited financial resources
- Difficulties in aligning interests



## Ivan Jurica GANGO – Ship building



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Specific support for the accession to European maritime, fisheries and aquaculture fund

The Sustainable Development Goals :



Strengths :

- Positive environmental impact
- Preservation of traditional know-how



Weaknesses :

- Need for costly investment
- No location or infrastructure to get the boat out of the water

## Ivica and Helena LESIC – Fishing tourism



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Business plan

The Sustainable Development Goals :



Strengths :

- Increasing economic activity
- Participation in the development of ecotourism and the revitalisation of the island
- Direct positive impact on the marine environment
- Good potential for awareness raising and participatory science
- Promotes short circuit



Weaknesses :

- Need for safety infrastructure on the boat
- Need to improve the sustainability of the tour (eg: glass glass rather than plastic glass)
- Financial planning to be improved
- Communication in foreign languages to be improved

## Marijo BACKO – Vineyard



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Specific support for obtaining agricultural eco-certification and for applying to EU fund to finance a tasting room

The Sustainable Development Goals :



Strengths :

- New eco-tourism offer on the island
- Participates in raising awareness among tourists
- Encourage circular economy



Weaknesses :

- No land or tasting room
- Long process towards ecological certification
- Low environmental impact
- Need to develop sales opportunities to avoid a pure ecotourism model

## Mila BLASKOVIC – E-bikes



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Business plan

The Sustainable Development Goals :



Strengths :

- Well connected with the nature Park
- Already have a tourism business
- Provide a new way of local transportation, soft mobility
- First offer of e-Bikes tour in Lastovo



Weaknesses :

- Lack money to invest in bikes and solar charging stations

## Nataša/Željko Bokor – Slowfood restaurant



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Business plan
- Loan from the BBI's revolving fund

The Sustainable Development Goals :



**Strengths :**

- Encourage circular economy
- Participates in the revitalisation of the island

**Weaknesses :**

- Isolation from other inhabitants
- Limited financial resources
- Delay in the completion and opening of the restaurant

## Toni VODANOVIC – Bulky waste



Date of integration of incubator :

2019

Support provided :

- Call questionnaire
- Assessment questionnaire
- Development phase questionnaire
- Specific support for the negotiation and the acquisition of a storage place.
- Specific support for the acquisition of a license for collection, storage, and transportation of bulky waste
- Loan from the BBI's revolving fund

The Sustainable Development Goals :



**Strengths :**

- High environmental impact as waste management is one of the main environmental issues on the island.
- Possible source of employment if the activity develops
- Promotes short circuit and recycling
- Link with the Park

**Weaknesses :**

- Activity carried out informally, without licence or registration of the company

# The timeline

The Blue Business Incubator was originally designed in 5 phases for a duration of approximately one year. Today, four of the five phases have been completed and the last one (launching phase) is still ongoing.

However, the lack of coordination between the partners, together with the covid, have slowed down the implementation of the project considerably. The project finally lasted five years, including a one-and-a-half year break due to the global pandemic.

**The timeline below lists all the activities carried out at each phase of the project :**

2019		2020		2021		2022		2023	
S1	S2	S1	S2	S1	S2	S1	S2	S1	S2
<b>Preliminary phase</b>									
1 <sup>st</sup> Field Mission		2 <sup>nd</sup> Field Mission		3 <sup>rd</sup> Field Mission		4 <sup>th</sup> Field Mission		5 <sup>th</sup> Field Mission	
Site diagnosis		Identification of partners and potential entrepreneurs		Call for expression of interest		Public meeting to present the BBI		Jury meeting (review of the applications)	
Def. of the call (process, criterias, timeline, roles, communication)		Officialisation of the partnership		Development of the impact indicator for the Blue Businesses		Development questionnaire sent to the entrepreneurs		Review of consolidated applications	
<b>Development phase</b>									
<b>COVID</b>									
<b>Incubation phase</b>									
Inputs from partners on each proposals		Development of the impact indicator for the Blue Businesses		Development questionnaire sent to the entrepreneurs		Review of consolidated applications		Signature of MoC Business plan structuration	
Redynamisation of the project		Training trial with Impact Hub		Reflection on the finalisation of the BBI in Lastovo and its replication		Support from specialist consultants		Creation of the revolving fund and loan for the entrepreneurs	
<b>Launching phase</b>									
Monitoring of environmental and socio-economic impacts (forthcoming)		Adjustments (forthcoming)		Support from specialist consultants		Capitalisation/Synergies (good practices, articles) (forthcoming)			

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