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Sida Decentralised Evaluation

Pier Giorgio Ardeni

Evaluation of the project “Fostering Agricultural Markets Activity” (FARMA)

Final Report

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February 2015

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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Abbreviations and Acronyms

BAM	Bosnian Convertible Mark
BiH	Bosnia and Herzegovina
CzDA	Czech Development Agency
DCA	Development Credit Authority
DF	Development Fund
EC	European Commission
EU	European Union
EUR	Euro
F&V	Fruit and Vegetable
FARMA	Fostering Agricultural Markets Activity
FBiH	Federation of Bosnia Herzegovina
GAP	Good Agricultural Practice GAP II Governance Accountability Project, Phase II
GDP	Gross Domestic Product
GlobalGAP	Global Good Agricultural Practice
Ha	Hectare
HACCP	Hazard Analysis and Critical Control Points
HPLC	High Pressure Liquid Chromatography
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
IPARD	Pre-accession Support for Rural Development
IPM	Integrated Pest Management
JMC	Joint Management Committee
LAMP	Linking Agricultural Markets to Producers Project
LOP	Life of Project
MAP	Medicinal and Aromatic Plants
M&D	Milk and Dairy
M&E	Monitoring and Evaluation
MoFTER	Ministry of Foreign Trade and Economic Relations
MT	Metric Ton
PHA	Plant Health Administration (BiH)
PIR	Project Intermediate Result

PMP	Performance Management Plan
PO	Partner Organization
RFA	Request for Applications
ROI	Return on Investment
RS	Republika Srpska
Sida	Swedish International Development Agency
SME	Small and Medium-sized Enterprises
STTA	Short-term Technical Assistance
SVO	State Veterinary Office
TA	Technical Assistance
USAID	United States Agency for International Development
USD	United States Dollar

Executive Summary

- This report contains the findings, conclusions and recommendations from an evaluation of the project “Fostering Agricultural Markets Activity” (FARMA). The assessment presented here will not be able to provide a *final* evaluation of the whole project, as this is yet to end. The LOP (Life of Project) targets mentioned herewith refer to the whole project duration, i.e. five and a half years. Project data for 2014 have yet to be collected and verified. In various instances, the FARMA Team has only been able to report estimates for 2014 based on data collected in August 2014. This is an important caveat, as all the conclusions drawn here are therefore based on an incomplete set of data that does not cover the last months of the project.
- Thus, the *actual* LOP results mentioned below all refer to data up to Year 4 or to August 2014 – five years into the life of the project which started in August 2009. The *end-of-project* LOP targets, on the other hand, refer to the final results for the whole 2014, which will be available only later this year (around May 2015). As there were no LOP targets defined for mid-2014, we therefore compare the actual LOP results at the end of year 4 (2013) with the LOP targets for year 4.

OVERALL FINDINGS AND RESULTS

- With FARMA, Sida and USAID have funded a project aimed at helping BiH accomplish several critical objectives: increasing agricultural competitiveness; meeting European Union health and production standards; reducing poverty by expanding environmentally sustainable production; and increasing sales, exports, and employment. This evaluation was intended to provide Sida with an assessment of the progress achieved against the objectives, and to make conclusions about the future direction of the program.
- On the whole, the performance of the project appears to be quite good, with mixed achievements for the overall indicators (indicators 1-4) against the LOP target.
- Indicator 1. Results show that the LOP target at year 4 of a 50% increase in sales of FARMA beneficiaries was more than achieved (it was 54%). Yet, a LOP target of a 65% increase for the whole project duration, i.e. over 5 and a half years, corresponds to an average 13.2% annual change. While in year 1 and 3 the overall increase in sales was 16% and 14%, respectively, in year 2 and 4 increases were just short of the desired average (10% and 11%, respectively). The first half of 2014 shows an even lower increase (2%), certainly

due to the floods which severely affected production results. However, the desired final increase in sales at the end of the project appears to be quite distant, and it might be that results for 2014 will remain short of the planned target.

- As for the sub-sectors, results were generally more satisfactory for the M&D and the MAP sectors, but not for the F&V one (overall, the increases up to year 4 were 78% and 71%, respectively, for the first two sub-sectors, and only 14% for the F&V sector).
- Aggregate data for the whole BiH agriculture, in any case, show lower performances, which favor the conclusion that FARMA was effective in promoting its beneficiaries' increases in sales. FARMA beneficiaries over-performed their respective sectors.
- Indicator 2. Results show that the LOP target at year 4 of a 35% increase in employment in FARMA beneficiaries was far from being achieved (being only 8%). The final LOP target of a 45% increase over 5 years and a half corresponds to an average 8.9% annual change. Data shown in the latest Annual Report (p. 97) show that only in year 1 and 4 the increase in employment was significant and higher than the planned target (11% and 12%, respectively), while over the years 2 and 3 it was quite dismaying (8% and -6%, respectively).
- Thus, in this case too FARMA beneficiaries over-performed their respective sectors.
- Indicator 3. The LOP target at year 4 of 4 new products was achieved. However, in the end, the LOP target of 6 new products will not be met.
- Indicator 4. It appears that the LOP target of 10.8:1 was not to be met, as the actual LOP as of 2014 was 5.7:1. If the target return on investment has not been met, it could be because it was simply too ambitious or because the project costs were too high.
- Project performance on the indicators 5A and 5B was good overall: a bit short of the target in the case of indicator 5A while exceeding the target in the case of indicator 5B. As for the indicator 6, project performance was extremely good. If we compare the data for FARMA beneficiaries with the overall data for the three sectors, we see that FARMA beneficiaries have generally over-performed their respective sectors (even on a year-to-year basis).
- Performance on indicators 7 and 8 appears to have been good enough, while in the case of Indicator 9, FARMA appears to have been very effective in leveraging loans and funds for investment. The project was more than successful in meeting the targets in this case. And it appears that in this respect FARMA beneficiaries performed better than the BiH economy.

- In case of Indicators 10 and 11, project performance appears to have been quite good, as in case of Indicators 12, 13 and 14, where performance appears to have been very good.
- Cross-cutting issues. The project should have possibly target or involve more women, though some specific efforts by the project to engage women must be acknowledged.

MAIN FINDINGS WITH REGARD TO THE EVALUATION CRITERIA

Relevance

- Overall, relevance of project seems to be evident and strong. Broadly speaking: the project was relevant to the stakeholders' needs: interviewees generally confirmed very positive opinions of the project.
- A logically valid means-end relationship between the overall project objectives and the four specific objectives – reflected in the four expected PIRs – has been established.
- Sub-sectors were chosen as a result of the previous LAMP project and stakeholders consultations, with an eye to their statistical relevance. Interviews with stakeholders and beneficiaries confirmed the importance of the chosen sub-sectors and the effectiveness of the intervention measures adopted.
- “Currently, the project objective appears to be an end in itself, and does not indicate why agricultural competitiveness is important to the country.” This statement, from the mid-term evaluation report, might be endorsed again. True, a higher level, overall objective, such as: “Support to Bosnia and Herzegovina to achieve the goals of EU accession by adapting and approximating BiH agriculture and rural development sectors to the Acquis” would have helped to focus the project on the longer-term goal of EU accession and adoption of EU standards.
- Increased competitiveness might translate into faster economic growth and poverty reduction, and yet there are several assumptions behind this assumption and a number of provisions and caveats that have to be taken into account.
- Increasing competitiveness of agricultural sector in BiH that would lead to increased economic growth and reduction of poverty means also taking the whole social and economic conditions of BiH agriculture into account: small farm size, small land plots, subsistence agriculture in remote rural areas, low quality products, low productivity, low standards. The question is thus whether the approach adopted by the project was appropriate for such conditions. Looking at the direct beneficiaries of grants and subcontracts and to the large

number of other beneficiaries of trainings and technical assistance the answer seems to be a qualified “no”, or just “partly”. The project addressed the core of small-farm agriculture in BiH only partially.

- The project objectives were certainly relevant in as much as they involved a core sector component on which they would leverage increased competitiveness of the whole sector.
- As for the cross-cutting issues, some of them appear to have been slightly overlooked.

Effectiveness

- Overall, project has achieved its objectives, although indicators are short of target value in some cases. Project implementation was effective, as confirmed by Results.
- Broadly speaking, the project was effective in the use of resources; it achieved its own objectives and planned results: it improved market linkages for BiH producers; it improved access to finance (for BiH producers); it built capacity of producer organizations and other counterparts; it contributed to enhancing the policy environment to benefit competitiveness of BiH agricultural goods; and it improved overall competitiveness of the agri-food sector, at least in the targeted sub-sectors.
- In several instances, FARMA seems to have been quite effective in progressing towards the desired objectives. Was FARMA effective in contributing to overall project goals? The answer in this case, as we have seen with Results, is possibly “yes”, with some qualifications on employment, environment, gender equality, youth and possibly small-size farms.

Efficiency

- In order to measure the relative efficiency of FARMA project we may compare the transaction costs – i.e. those directly related to project activities – with the value of the accrued benefits from those activities. The share of fixed costs over total costs (more than 18 million USD) is 6.24%. As for beneficiaries results, we can look at increases in sales (indicator 1) and changes in exports (indicator 5).
- Total project “investment” (expenditure) of 25,968,464 BAM has resulted in an increase in sales equal to 3.78 times higher, a good performance, while total project “investment” (expenditure) of 25,968,464 BAM has resulted in an increase in exports equal to 1.38 times higher, which is also a decent performance.

- FARMA has had a visible catalytic effect on the three sub-sectors in terms of market gains that have been felt in increases in sales and exports. Could the project have spent less? True, some activities might not directly contribute to the project goals and more can be gained in terms of efficiency. But we may conclude that the project was certainly efficient in delivering the planned results and economically worthwhile.

Sustainability

- If all this is to be sustained, then the project will have had a permanent visible impact
- FARMA has achieved strong results in the focal areas of the project. Individually and combined, the results can be assessed as contributing strongly to the project objective of improved agricultural competitiveness and economic growth. Project has had visible impact on beneficiary POs, as shown by quantitative indicators, particularly in improved market linkages for a number of companies and farms, increased sales and exports, number of products eligible for EU markets, access to finance, increased technical capacity and skills.
- Degree of coverage of FARMA was quite high and we may thus expect that its impact was felt and is going to be quite relevant. Some of the direct impacts will certainly contribute to overall objective of increased competitiveness, while others appear to be only as pre-conditions for improvement (like EU standards). Some of the direct impacts will contribute to overall objective of increased competitiveness, while others appear to be only as pre-conditions for improvement (like EU standards). Ownership at a higher institutional level appears to have been somehow limited, particularly at the Entity level.
- Many of the needs of farmers, food processors and stakeholders will remain after FARMA ends.
- And if we look at the numbers, we see that the primary emphasis of the project, through its agreed design, was on achieving tangible results during the life of the project, assuming that they would also have a longer-term positive impact.

CONCLUSIONS REGARDING THE EVALUATION CRITERIA

- FARMA Project was designed with a number of stakeholders, it was initially in line with both USAID and Sida's priorities. Relevant sub-sectors and areas of intervention were defined during the initial stages. Currently, FARMA is still in line with Sida's current priorities highlighted in the new strategy.

- Overall, interviewees confirmed very positive opinions. We may say that the general level of satisfaction of beneficiaries with the project was high.
- The project was effective and efficient in the use of resources in achieving the planned results, it was absolutely relevant to the stakeholders' needs and had a visible impact. One issue on which the impact of the specific FARMA assistance towards institutions was felt was that of exports. Also, it seems that FARMA had a positive impact on BiH export-supporting institutions.
- Gender and environmental issues have been taken into account, with attention given to women participation and qualitative production standards.
- The overall assessment of quality and sustainability of the project efforts was satisfactory, though more could be done. Sustainability generally appears to be more promising than that provided to public institutions.
- The assistance provided by FARMA improved institutional capacity of the assisted institutions to analyze, lobby, support, inform, and advocate [evaluation question 3], there remains a gap between international donors' intentions and BiH recipient institutions in this case. Conversely, the level of sustainability of the invested support to producer organizations appears to be good. [evaluation question 4]. Also, the interaction between public and private sector actors is still fragmentary, though FARMA contributed to its improvement [evaluation question 6]
- FARMA was popular for a number of reasons we have seen above, and those are all success factors: flexibility, attention to the needs of beneficiaries involved, good-sized grant and sub-contract components; numerous training activities, study tours and support actions, availability of staff to beneficiaries' demands.
- While there are no failures, there were weaknesses. By adopting certain formal requirements for eligibility to receiving grant support or to applying for a subcontract, FARMA excluded from the potential pool of applicant a possibly large number of small farms and enterprises across BiH. Undoubtedly, results show that the project has been generally successful in achieving its (specific) objectives towards the overall objective. And yet, by focusing on a limited number of eligible beneficiaries – which because of their formal requirements were deemed to be the most structured and well established ones – the project has failed to address BiH agriculture at large, or at least by and large its vast base of small-size farms.
- Emphasis on adoption of safety and other EU standards can backfire on small producers if not followed by adequate support, information, awareness and “encouragement”.

- A second weakness was that institutional support was considered as complementary to the achievement of project objectives. A third weakness concerns some of the bottlenecks and limitations of the three chosen sub-sectors that were known at the beginning of the project and, yet, they have not been addressed. One last weakness concerns the degree of dialogue and pro-active cooperation that the project achieved with BiH institutions.

MAIN RECOMMENDATIONS

- The project should be replicated: a FARMA II could thus capitalize on the previous project, by extending the pool of beneficiaries, replicating good practices and best examples, and building on the factors of success: flexibility in adapting to the conditions on the ground, attention to the needs of beneficiaries involved, good-sized grant and sub-contract components; targeted training activities and support actions, availability of staff to beneficiaries' demands
- Identifying the sub-sectors where to target assistance is going to be crucial. Our recommendation is keep targeting the same sub-sectors. In fact, it takes time for such an intervention to bring its fruits to ripe.
- Complementarity with other donor interventions and plans will be essential for the next phase, so as to maximize effectiveness
- The growth in sales and exports of some selected companies and farms can have a small spill-over/ripple effect both in terms of backward and forward linkages if the project addresses those linkages.
- Benefits of a project supporting agriculture cannot be just measured in terms of “returns on investment”: social benefits as well as rural development at large are also, in the end, visible durable benefits.
- Even if the next phase will not have specific social issues on the forefront, we believe that gender issues – and youth, for that matter – should be at the center of a development intervention targeted to agriculture, as a gender-balanced and youth-balanced approach might be the recipe for a more equitable growth.
- FARMA II should have a larger grant and sub-contract component with less stringent formal requirements and (maybe) smaller grant
- FARMA II should target institutions that can enforce regulations and standards and help control, who can favor knowledge transfer and diffusion, like Inspectorates and AES.
- Objectives, strategy and even actions should be decided together with BiH institutions and partners, not just during the design phase but constantly during the implementation phase.

- Sida's and USAID's development assistance strategies for BiH do seem to coincide in their focus on supporting economic growth as a way for the country to jump on a sustainable development path. And yet, there might be room for different options and possibilities. While USAID attention would emphasize the potentials of free market developments, Sida would possibly like to affirm a coherent institutional setup, the role of policy, the importance of social cohesion in sheltering the weakest population groups from the fall-outs of market competitiveness, in line with its usual strategic approach to development assistance over the world. While FARMA I showed that the two “philosophies” are not necessarily at odds, a more nuanced approach might benefit from both in a more fruitful way: emphasizing growth by supporting the more advanced parts of BiH agri-food sector on one hand, while facilitating, supporting and helping the less advanced large core of BiH traditional agriculture, on the other. This could be achieved, possibly, also by conceiving different support mechanisms for different target farms and companies, maybe with different disbursement arrangements, e.g. one regulated by USAID grant regulations and one governed by Sida accounting practices. This approach might even be more promising in terms of sustainability and ownership, as it can entail some form of co-funding and sharing with the local institutional counterparts.

1 Introduction

The Fostering Agricultural Markets Activity (FARMA) project was a \$22.2 million, nearly six year project intervention in the agriculture and rural development sector in Bosnia and Herzegovina (BiH). The project was co-financed by the Swedish International Development Cooperation Agency (Sida) and the United States Agency for International Development (USAID). The implementation of FARMA was awarded with a competitive tender process to Chemonics International (USA), in association with Orgut Consulting AB (Sweden). The contract was signed on 31 August 2009, and project implementation began on 1 September 2009.

FARMA's approach focuses on four integrated components:

- Building sustainable market linkages for BiH producers;
- Increasing access to finance;
- Building the capacity of partner organizations and other counterparts; and
- Enhancing the policy environment to benefit the competitiveness of BiH agricultural goods.

With FARMA, Sida and USAID have funded a project aimed at helping BiH accomplish several critical objectives: increasing agricultural competitiveness; meeting European Union health and production standards; reducing poverty by expanding environmentally sustainable production; and increasing sales, exports, and employment.

The report structure follows closely Sida's guidelines for evaluation. Following this introduction, Chapter 2 describes the evaluation: its rationale, its scope and the questions that will be investigated.

Chapter 3 describes the approach adopted (methodology), the selection of evaluation criteria of relevance, effectiveness, efficiency, impact, sustainability and ownership. It also introduces a number of additional questions.

Chapter 4 presents findings and conclusions about the assessment against the evaluation criteria of relevance, effectiveness, efficiency, impact, sustainability and ownership. It first illustrates the main results of the project vis-à-vis the overall and specific objectives, as measured by the progress indicators. Then, it presents the findings in terms of the evaluation criteria of relevance, effectiveness, efficiency, impact, sustainability and ownership, plus a number of additional evaluation questions.

Chapter 5 presents lessons learned and recommendations about actions that should be taken.

2 Rationale and purpose of the evaluation

2.1 SPECIFIC OBJECTIVES OF THE EVALUATION

Sida has contracted SIPU to conduct an independent evaluation of FARMA. As per the assignment Terms of Reference (ToR) attached in Annex 1, the purpose of the evaluation was to:

- 1) evaluate the project progress against the planned activities/results according to the PMP and Result Framework and against the main Swedish development priorities (internal efficiency);
- 2) evaluate the Project progress against overall sector development to assess the relevance of the activities and possibility for coordinated sector-wide approach (external efficiency);
- 3) make recommendations and share lessons learned that will be used for further programming for a follow-up project.

The evaluation was intended to provide Sida with an assessment of the progress achieved against the objectives, and to make conclusions about the future direction of the program.

2.2 EVALUATION OBJECT AND SCOPE

Sida, as co-financier of the Project, has undertaken to perform the evaluation of the project in order to identify results of the current intervention and to assess possibilities for further interventions supporting the agricultural sector.

Sida would like to ensure that the current assistance to the FARMA is useful, efficient, sustainable, relevant, necessary and in line with the project Concept Note, Project Proposal and the project Performance Monitoring Plan (PMP).

As noted in the ToR, the evaluation approach is to be structured around the OECD/DAC standard evaluation criteria of relevance, efficiency, effectiveness, impact, sustainability, and in addition, flexibility.

2.3 EVALUATION QUESTIONS

The evaluation was supposed to address, but not be limited to, some general questions, so as to compare both the original technical proposal and subsequent work plans to annual and quarterly progress reports and the observations of the evaluation

team. The evaluation would also assess, in passing, the project organization, the management, the fieldwork, the significant outputs and the quality of overall performance in light of the standard evaluation criteria of efficiency, effectiveness, relevance; sustainability (ownership), impact (both direct and indirect), and flexibility.

The evaluation was also supposed to address the following more specific questions:

- E1. What is the general level of satisfaction of beneficiaries with the project?
- E2. What is the overall assessment of quality end sustainability of the project efforts?
- E3. How the assistance provided by FARMA improved institutional capacity of the assisted institutions to analyze, lobby, support, inform, advocate, etc.
- E4. What is the level of sustainability of the invested support to producer organizations?
- E5. What is the impact on export of the specific FARMA assistance towards institutions?
- E6. To what extent interaction is taking place between public sector actors and private sector actors?
- E7. What are, if any, the gaps in FARMA approach and how these could be corrected in the possible next phase of the project
- E8. What recommendations there are for Sida towards the design of FARMA II?

3 Methodology

The evaluation has been done in line with Sida's evaluation manual '*Looking Back Moving Forward*' and has focused on the general level, i.e. evaluation of the project as a whole. The evaluation team comprised Mr Pier Giorgio Ardeni, as Evaluator, and Mrs Tamara Jankovic, as interpreter.

3.1 SELECTION AND APPLICATION OF EVALUATION CRITERIA

To structure the evaluation, the evaluation questions from the ToR under the OECD/DAC evaluation criteria were reworded as follows:

- Relevance – To what extent was the intervention relevant to the BiH stakeholders' needs?
- Effectiveness – Has the intervention achieved its objectives and its planned results of increased agricultural competitiveness leading to economic growth and poverty reduction and to what extent? Were the right program activities carried out to bring about the desired outcomes? Was the intervention effective?
- Flexibility – How much has the intervention been proactive in adapting to the stakeholders' needs on the ground?
- Efficiency – Was FARMA able to achieve its objectives efficiently, i.e. by using resources in the most appropriate way?
- Impact (direct and indirect) – Are there long-term effects of the intervention on BiH agricultural and food sector, planned and unplanned, that can be evaluated as positive or negative? What observable measures or indicators of such effects can be identified?
- Sustainability (ownership) – What is the level of sustainability of the invested support to producer organisations? What is the overall assessment of quality and sustainability of the project efforts? Are the project outcomes likely to continue after the intervention has finished?

Mixed methods have been used in the assessment of the evaluation criteria, based on quantitative and qualitative data, namely, desk research, stakeholder consultation and beneficiary interviews. The desk review took a few days, to be followed by fieldwork visits for some 13 work days across BiH, conducted with a precise fieldwork plan and

scheduled interviews. In total, 31 stakeholders and beneficiaries were visited and interviewed.

For an accurate quantitative assessment of the results achieved by the Project, all objectively verifiable indicators were checked against the stated targets. Intermediate and final results were compared with the initially set intermediate and final specific objectives.

3.2 LIMITATIONS

The most critical limitations to the evaluation, from the very beginning, were the short time and limited resources devoted to it by Sida, which make its scope necessarily more focused. The limited time on the field allowed only for a given number of interviews and consultations with stakeholders and beneficiaries.

An additional limitation was that among the hundreds of beneficiaries – from individual farmers and producers to producer organizations – only a few could be selected and contacted. In the end, it turned out that only grant receivers were interviewed, beside a number of institutional partners, which was going to bias necessarily the opinions collected through the interviews in favor of the project. The selection of interviewees was done with the assistance of the FARMA Team.

Another limitation was that, in preparing this report, we could only rely on monitoring data collected by the project itself. In no cases we have been able to triangulate or verify the project data, particularly the data that go beyond the PMP and progress indicators. There are several instances where this might be delicate. For instance, it is known that adoption of new technologies is quite difficult to measure in an agricultural context. We do not know how the project did it. How can we be certain it was done rigorously? And even so, installing a new piece of equipment or having a new facility does not necessarily translate into more efficient production. There are other cases where the quantitative information provided might lend itself to misjudgment, as it was not tracked or monitored in its actual implications.

4 Findings

4.1 BACKGROUND OF THE PROJECT

The complete background to the project was summarized and described in a previous mid-term evaluation.¹ An important step in the project design was the selection of sub-sectors to be targeted. For the selection of the three sub-sectors the most important assumption was that there was an attractive market with a steep price gradient between the farmer and the market. In the end, the three sub-sectors that were targeted by the project were: Milk and Dairy (M&D); Fruits and Vegetables (F&V); Medicinal and Aromatic Plants (MAP).

In its early design stage, the project identified seven cross-cutting issues that were worthy of having a FARMA program tailored to address them: market information; integrated pest management (IPM); post-harvest handling; plant nutrition; irrigation; certifications and standards; and financing. Of these, market information and certifications/standards were singled out as priorities due to their potential for attaining rapid economic impacts.

A Performance Monitoring Plan (PMP) including a results framework was devised in conjunction with the annual work plan and approved by Sida and USAID in March 2010. The objectives of FARMA were laid out in the RFP. In the first annual work plan and the PMP, the relationship between the issues that were addressed, the project targets and objectives and the expected outcomes were articulated in the Results Framework, as below.

Two strategic objectives were stated, one for each funding agency. USAID Strategic Objective was stated as “Increased agricultural sector competitiveness”, while Sida Strategic Objective was “Reduced poverty through economic cooperation that develops the private sector”. The overall **Project Objective** was defined “Increased agricultural competitiveness leading to economic growth and poverty reduction”, a sort of combination of the two funding agencies strategic objectives. Four Project Intermediate Results (PIR) – **specific objectives** – were also defined:

¹ See NIRAS, FARMA Mid-term evaluation, November 2011.

- PIR 1. Sustainable market linkages for BiH producers built
- PIR 2. Access to finance increased
- PIR 3. Producer organizations and other counterparts' capacity built
- PIR 4. Enhanced policy environment to benefit competitiveness of BiH agricultural goods.

A number of **indicators** (13) were then defined to measure progress against the stated targets.

It is clear, in reading the RFP and the actual Project design documents, that the core problem of low competitiveness of the agricultural and food sector in an increasingly liberalized trading environment was being tackled by sets of activities and accompanying resources that aim to strengthen market linkages, increase access to finance, build the capacity of producers and processors, and enhance the policy and institutional supports. The results framework – a logical model – conveys the development hypothesis linking the necessary and sufficient intermediate results (referred to as PIR) with the project's strategic objective. The logic of cause and effect is well presented and evidence-based.

It should be noted that in the years leading up to the finalization of the RFP and the contracting of the implementing consortium – which happened in 2009 – Sida priorities in BiH included a leading reference to poverty reduction within projects and programs and this was all reflected in the Sida Strategic Objective in the PMP, as mentioned above. The Swedish Government strategy for cooperation development at that time placed *poverty reduction* within the overall framework of strengthened democracy, equitable and sustainable development and closer relations with the EU and its basic values. This objective is now absent from the 2014-20 Sida Regional strategy for the Western Balkans. Accordingly, for this evaluation, Sida has directed that the primary focus should be on the extent FARMA is improving the competitiveness of the agri-food sector in an EU integration context.

As background information to the project, it should also be noted that there were a few financial instruments available to FARMA to achieve the project goals. The first included the \$2.7 million Development Fund for small grants to targeted Producer Organisations (POs), and a \$1.2 million Partners Fund, for subcontracts to selected local partners. The Development and Partners Funds were to be leveraged for activities across all sub-sectors. A non-FARMA instrument for which FARMA provided associated technical assistance was the Development Credit Authority (DCA) – a credit guarantee scheme with approved banks funded by USAID.

Separate additional funding – 2.26 million USD – was provided by USAID and Sida in 2014 to help support farmers to recover after the damaging floods that severely affected agriculture and the whole country in May 2014. Flood relief was managed by FARMA through additional grants.

An extra-component to the project was also added in 2013. The project entitled “Strengthening capacity of veterinary laboratories and veterinary inspection services for implementation of the National Residues Monitoring Plan (NRMP) in accordance with EU standards was implemented by FARMA in collaboration with the Czech Development Agency (CzDA).

4.2 MAIN RESULTS OF THE PROJECT

The activities conducted and the outputs delivered from the beginning of the project in 2009 until 2014 are summarized in the various Annual Reports. The latest report, submitted in November 2014 includes a description of all activities and results by sub-sector and project component, including Grants and Sub-contracts, up to August 2014. The main results achieved by the project are described and commented below. Progress on single indicators (as from the PMP) is documented in the latest Annual Report figures (Table p.93).² It should be noted that these are not the final end-of-project results, as these will be available only during the first quarter of the year 2015.³

An important *caveat* is of order here. The assessment presented here will not be able to provide a final evaluation of the whole project, as this is yet to end. The LOP targets mentioned herewith refer to the whole project duration, i.e. five and a half years. Project data for the whole year 2014 have yet to be collected and verified. In various instances, the FARMA Team has only been able to report estimates for 2014 based on data collected in August 2014. This is an important reminder, as all the conclusions drawn here are therefore based on an incomplete set of data that does not cover the last months of the project.

Thus, the *actual* LOP results mentioned below all refer to data up to August 2014 – five years into the life of the project, as that started in August 2009 –. The *end-of-*

² See FARMA Year 5 Annual Report.

³ This is an important caveat, which is also underlined in FARMA Year 5 Annual Report (p. 95). Project data measuring results on the previous year are collected every year at the end of the first calendar quarter. This is because of local tax reporting requirements, as the beneficiaries report actual financial data at the end of the calendar year. Thus, the reporting cycles of the project and its beneficiaries are not congruent, which prevents the project from providing actual data when the project's annual report is written at the end of the third calendar quarter. The seasonality effect (the fifth project agricultural season was ongoing during the drafting of Year 5 Annual Report) also adds to this issue. Hence, the results documented in the Annual Report are not the actual results achieved, but are based on estimates coming from the project beneficiaries. Upon completion of the agricultural cycle (first quarter of 2015), FARMA staff will collect the data and information required to report on actual changes in the indicators attained during 2014. The data will be provided in the final end-of-project report. As the FARMA project will complete its operations in May 2015, no estimates or actual data would be available at that time.

project LOP targets, on the other hand, refer to the final results for the whole 2014, which will be available only later this year (around May 2015). As there were no LOP targets defined for mid-2014, we therefore compare the actual LOP results at the end of year 4 (2013) with the LOP targets for year 4.

4.2.1 OVERALL RESULTS

On the whole, the performance of the project appears to be quite good, with mixed achievements for the overall indicators (indicators 1-4) against the LOP target:

- Indicator 1: percent change in sales of participating POs – The actual LOP total for year 4 was 54%, as opposed to a 50% LOP target for year 4 – an over-the-target achievement;
- Indicator 2: change in employment in participating POs – The actual LOP total for year 4 was only 8%, as opposed to a 35% LOP target for year 4 – quite a low achievement;
- Indicator 3: number of new products eligible to enter new EU markets – The actual LOP total for year 4 was 4, thus achieving the LOP target for year 4;
- Indicator 4: “return on investment” (ROI) – The actual LOP is 5.7 to 1, as opposed to the LOP target of 10.8 to 1, a 53% achievement. However, the figure is an estimate, based on sales figures collected in August 2014. The final ROI will be calculated in April/May 2015 for the project LOP and will be comparable to ROI LOP target.

The project assisted and covered – one way or the other – about 161 POs (as of end 2013), and this is the number on which the actual calculations of Indicator 1 and 2 are based.

Actually, FARMA had two types of beneficiaries. The first type was the group from which FARMA gathered its data for the purposes of performance monitoring. These are organizations with which FARMA worked closely. These POs provided information related to their business's performance. The second type of beneficiaries was composed of those organizations or individuals who had less frequent and intensive contact with FARMA. These included individuals who participated in trainings or other events where FARMA contributed resources.

For the purposes of most of the indicators used for performance monitoring the benefits these partners may have received from project participation were not measured. The figures presented to quantify project impact were therefore gathered from the first subset of FARMA beneficiaries. Thus, in a way, most of the PMP figures can be considered to be conservative estimates of project impact.

As for Indicator 1, results show that the LOP target at year 4 of a 50% increase in sales of FARMA beneficiaries was more than achieved (it was 54%). Yet, a LOP target of a 65% increase for the whole project duration, i.e. over 5 and a half years, corresponds to an average 13.2% annual change. While in year 1 and 3 the overall increase in sales was 16% and 14%, respectively, in year 2 and 4 increases were just short of the desired average (10% and 11%, respectively). The first half of 2014 shows an even lower increase (2%), certainly due to the floods which severely affected production results. However, the desired final increase in sales at the end of the project appears to be quite distant, and it might be that results for 2014 will remain short of the planned target.

As for the sub-sectors, results were generally more satisfactory for the M&D and the MAP sectors, but not for the F&V one (overall, the increases up to year 4 were 78% and 71%, respectively, for the first two sub-sectors, and only 14% for the F&V sector).

Aggregate data for the whole BiH agriculture, in any case, show lower performances, which favor the conclusion that FARMA was effective in promoting its beneficiaries' increases in sales: between 2009 and 2013, the latest available figures from BiH Official Statistics show that the increase in sales was 19% for the dairy sector, 12% for the F&V sector, and 39% for the MAP sector. So, FARMA beneficiaries over-performed their respective sectors.

	2009	2013	2013/09 (%)
M&D	231.240.000	275.597.000	19
F&V	124.000.000	138.791.000	12
MAP	45.000.000	62.400.000	39
Total	400.240.000	476.688.000	20

Source: BiH Agency for Statistics, i.e. Industrial production in Bosnia and Herzegovina 2013, PRODCOM results. Data were kindly provided by FARMA Team.

http://www.bhas.ba/tematskibilteni/IND_2013_001_01_eng.pdf;

Sale of agricultural products on green markets in 2013:

http://www.bhas.ba/saopstenja/2014/AGR_2013_009_01-bos.pdf, BiH export data (from the BiH Foreign Trade Chamber), BiH Agency for Statistics.

As for Indicator 2, results show that the LOP target at year 4 of a 35% increase in employment in FARMA beneficiaries was far from being achieved (being only 8%). The final LOP target of a 45% increase over 5 years and a half corresponds to an average 8.9% annual change. Data shown in the latest Annual Report (p. 97) show that only in year 1 and 4 the increase in employment was significant and higher than the planned target (11% and 12%, respectively), while over the years 2 and 3 it was quite dismaying (8% and -6%, respectively). Now, even though the employment figures exclude part-time and seasonal employment, as well as self-employment, agricultural

production in BiH has been negatively affected by market trends in the recent years, which were reflected in the low employment performance of FARMA beneficiaries. Previous Annual Reports (Year 1 and 2) had acknowledged that project progress was low on this indicator but they expected it would significantly increase over the course of the coming years as the impact off FARMA grants would begin to be felt for the specific partner organizations assisted. This, apparently, has not happened.⁴

In any case, statistics from the Labour Force Surveys in BiH (see table below) show that employment in agriculture has fallen between 2009 and 2013 about 14.84% overall. So, in this case too, we may say that FARMA beneficiaries over-performed their respective sectors.

	2009	2010	2011	2012	2013	2013/2009
Persons employed in agriculture	182.000	166.000	160.000	167.000	155.000	
Change from previous year (%)	-0,55	-8,79	-3,61	4,38	-7,19	-14,84

Source: Labor Force Surveys (2011, 2012, 2013). Note that the above figures of employment in agriculture include the sub-sectors not covered by FARMA.

As for Indicator 3, the LOP target at year 4 of 4 new products was achieved. One possible target for 2014 was the eligibility for potatoes, which did not happen. However, potatoes and dairy products were two additional targets. Potatoes are likely to be met in early 2015 but dairy will not be so this statement still holds true. In the end, the LOP target of 6 new products will therefore not be met.

As for Indicator 4, it appears that the LOP target of 10.8:1 was not to be met, as the actual LOP as of 2014 was 5.7:1. However, as we said above, this figure is an estimate, based on sales figures collected in August 2014. The final ROI will be calculated in April/May 2015 for the project LOP and will be comparable to ROI LOP target. It should be noted that the concepts of *returns* from project intervention versus the overall *cost of that intervention* (“investment”) is certainly debatable. In the case of FARMA, the “return on investment” (ROI) is simply a division of two numbers – the amounts of POs' sales and the “net” cost of the project. Sales are not actual returns and they are not all generated by the project assistance. A more accurate measure could be the *change in sales*, but even that would be affected by other factors beyond the project influence. In any case, if the target return on investment has not been met,

⁴ As the mid-term evaluation report had noted, there might have been in this case a negative trade-off between increased efficiency in production *also due to project impact* and increase in employment. And yet, the overall effect appears to have been opposite to the desired one.

it could be because it was simply too ambitious or because the project costs were too high.

4.2.2 PIR1 – SUSTAINABLE MARKET LINKAGES FOR BIH PRODUCERS BUILT

Results targeted to PIR1 were measured through three indicators, whose achieved progress was mixed:

- Indicator 5A: percent change in the value of trade of agricultural commodities linkable to FARMA's assistance – The actual LOP total for the first four years was 6%, as opposed to a 7% LOP target at year 4 – an 86% achievement;
- Indicator 5B: percent change in the value of international exports of agricultural commodities linkable to FARMA's assistance in participating POs – The actual LOP total after four years was 76%, as opposed to a 75% LOP target at year 4 – a 103% achievement;
- Indicator 6: Number of producers in selected sectors/sub-sectors achieving certification aligned with EU standards and requirements – In the first four years, the actual LOP total was 46, as opposed to a LOP target of 36 – a 128% achievement.

As for Indicator 5A, this is a percent change in the value of trade [(ex-ports/imports)×100] of agricultural commodities in targeted sub-sectors to all international markets. The commodities included are only those that were assisted by FARMA. This particular method of calculation allows for easy interpretation of an indicator. Specifically, if the percent is lower than 100%, then the national economy is a net importer in that sector; if this percent is greater than 100%, the nation is a net exporter. Annual changes are then calculated as [(%value of trade Y of current year) - (%value of trade Y of previous year)]. The data were obtained from the BiH Foreign Trade Chamber and represent official governmental data on exports and imports during the period under consideration.⁵

As for Indicator 5B, POs figures on sales performance (including exports) were gathered from each PO for the year prior to its collaboration with FARMA. That number was to be considered that PO's baseline (a given number). Every year that the PO collaborated with FARMA data were then gathered on its year's sales performance. The baseline number was subtracted from that number to obtain the measure of the

⁵ More details on the trade balance (export/import) can be seen in the annexed sheet titled I5A-FARMA sub-sectors 2009-Nov2014. The trade balance (export/import) in 2009 was 52%.

PO's performance change for the year. That number was aggregated with the figures obtained for all POs to generate the number that is used to reflect the economic impact of FARMA.

In order to accurately report the impact of the project activities, the baseline was necessarily dynamic. As new POs are added, a baseline for each was established. For instance, if a PO becomes a beneficiary in the third year of the project, then its business performance during the second year of the project, or the year prior to becoming a beneficiary, was to be considered its baseline. FARMA's baseline was then increased by that amount and was therefore different from FARMA's baseline from the prior year. As POs are lost (death of owner, business bought out, business closed), their contribution to the estimate of project impact becomes a static number for the purposes of calculating LOP estimates. For the purposes of calculating year-to-year change, their figures are not considered after the year they dropped out.

As for the number of commodities "linkable to FARMA assistance", it should be noted that the commodities included in the calculations were only those that were assisted by FARMA. The entire spectrum of commodities in the Dairy sector was included in this calculation. In the Fruit and Vegetable sector, the calculation included trade balances of those commodities which Bosnia and Herzegovina can feasibly produce. For example, coconuts, avocado, bananas, and majority of citrus fruits cannot be produced in BiH due to climatic and soil conditions. Hence, inclusion of these commodities in the trade balance calculation would bias the interpretation. The Medicinal and Aromatic Plants and Honey sector calculation included trade balances in herbs, spices, mushrooms, forest fruit, essential oils and honey, i.e. only those commodities that the FARMA project assisted the farmers/producers to improve production.⁶

Project performance on the two indicators was good overall: a bit short of the target in the first case and exceeding the target in the second. As for the third indicator, project performance was extremely good.

The overall trade balance for the three sectors combined (data based from official statistics from BiH Foreign Trade Chamber of Commerce) shows that the annual change was 8% between 2009 and 2010, -2% and -3% between 2010 and 2011 and 2011 and 2012, respectively, and 3% between 2012 and 2013. Thus, with the exclusion of year 1, changes have been short of LOP change (see latest Annual Report, table on p. 100).

⁶ More details can be found in the list of included and excluded commodities in the enclosed sheet titled I5A-FARMA sub-sectors 2009-Nov2014, under each of the sub-sectors.

As for increases in export values for FARMA beneficiaries, the overall LOP target value of 84% over the whole project duration amounted to an average 16.2% annual increase. The data show that while the overall increase in the three sectors was equal to 24% and 22% in year 1 and 2, respectively, it was 9%, 14% and -2% in years 3, 4, and 5 (albeit only up to August 2014), respectively (see Annual Report, p. 101). While the performance was better for the dairy and the MAP sectors, it was much lower for the F&V sector. If we compare the data for FARMA beneficiaries with the overall data for the three sectors, we see that FARMA beneficiaries have generally over-performed their respective sectors. The overall year-to-year increases in exports between 2009 and 2014 for the three sectors were, respectively: 21.3%, 5.4%, -2.5%, 7.1% and -9.6%. Conversely, the year-to-year increases in exports between 2009 and 2014 for the FARMA beneficiaries in three sectors were, respectively: 23.5%, 22.1%, 9.3%, 25.6%, -1.9%. Thus, even on a year-to-year basis, FARMA beneficiaries over-performed their respective sectors.

The general trends in exports for the sectors covering agricultural commodities linkable to FARMA's assistance, based on data obtained from the BiH Foreign Trade Chamber, are shown below. The data show that exports from all three sub-sectors have been increasing since 2009, especially the MAP sector.

Total exports (in BAM)					
	2009	2010	2011	2012	2013
M&D	61.116.690	74.148.270	79.079.837	84.354.876	78.485.302
F&V	58.899.838	64.876.628	72.496.810	60.808.756	74.951.681
MAP	16.498.904	26.512.903	22.832.239	24.906.195	28.656.223
Total (3 sub-sectors)	136.515.432	165.537.800	174.408.886	170.069.826	182.093.205
Total exports (annual percent change)					
	2010/2009	2011/2010	2012/2011	2013/2012	2013/2009
M&D	21	7	7	-7	28
F&V	10	12	-16	23	27
MAP	61	-14	9	15	74
Total (3 sub-sectors)	21	5	-2	7	33

Source: BiH Foreign Trade data (agricultural statistics)

The dairy industry has experienced several setbacks in 2013, which have had an impact on sales. First, aflatoxins were discovered in samples of Ultra High Temperature (UHT) milk imported from Croatia. The situation quickly escalated and became a regional problem, affecting milk consumption throughout the region. The problem was traced back to low cost imported maize used in animal feed. Second, the lower estimates for 2013 are largely due to the (yet uncertain) impact of Croatia's entry into the EU on 1 July 2013 as BiH exported significant quantities of milk used for UHT processing in Croatia, some of which was subsequently re-imported into BiH. Bosnia

and Herzegovina has still not met all the conditions for the export of dairy products to the EU and therefore Croatia's borders are still closed to BiH dairy products.

The F&V sector experienced a 27% increase in exports between 2009 and 2013. Exports were expected to be significantly higher over this period but the relative under-performance is due to the adverse weather in 2012 (snow damage in winter and summer drought the same year).

4.2.3 PIR2 – ACCESS TO FINANCE INCREASED

Results targeted to PIR2 were measured through three indicators, whose achieved progress was substantially good (though measured up to August 2014):

- Indicator 7: amount in dollars of private financing mobilized with DCA-guarantees – The actual LOP total is 1,380,144 USD, as opposed to a 4 million USD LOP target – a 35% achievement;
- Indicator 8: value in dollars of Foreign Direct Investment accessed by selected POs with FARMA assistance – The actual LOP total is 8,591,915 USD, as opposed to a 9,047,243 USD LOP target – an 95% achievement;
- Indicator 9: percent change in the value of loans and investments in assisted POs – The actual LOP total is 118%, as opposed to a LOP target of 55% – a 205% achievement.

As for Indicators 7 and 8, it should be noted that the amounts in dollars of finance mobilized might be a very indirect indicator of improvement of sub-sector economic conditions due to FARMA assistance. Those conditions, as a matter of fact, depend on so many other factors that FARMA assistance might have been only a small contribution to the improvement of the general financial conditions. And yet, performance on those two indicators appears to have been good enough. The FARMA project appears to have been very effective in leveraging loans and funds for investment (Indicator 9).

The value of outstanding loans for FARMA POs went from 17,105,652 BAM in 2009 to 59,021,653 in 2014. The annual percentage changes over the five years were, respectively: 49% in year 1, 5% in year 2, 13% in year 3, 41% in year 4 and 2% in year 5. The LOP target of 55% amounted to an average 11% per year, a target that was met in year 1, 3 and 4 but not in year 2 and 5, with an average 22%. We may therefore say that the project was more than successful in meeting the targets in this case.

If we were to make a comparison with the general trends in BiH credit markets, we would need data for the three sectors targeted by FARMA, which are not available. The general trends regarding credit to the private sector, according to the reports published by the International Monetary Fund for Bosnia and Herzegovina, show that between 2009 and 2013 overall credit increased at much lower rates. On a year-to-

year basis, changes were 2.1%, 4.2%, 2.8% and 2.3% in 2010, 2011, 2012 and 2013, respectively. Thus, once again, it appears that in this respect FARMA beneficiaries performed better than the BiH economy. And yet, as the latest Annual Report states (p. 102), “the examination of beneficiaries’ loan structures reveals that the observed growth is a result of (relatively) modest new loans attained by a majority of POs, on top of earlier (unpaid) loan obligations.”.

4.2.4 PIR3 – PRODUCERS ORGANIZATIONS AND OTHER COUNTERPARTS' CAPACITY BUILT

Results targeted to PIR3 were measured through two indicators, whose achieved progress was quite good (though measured up to August 2014):

- Indicator 10: number of agriculture-related POs benefiting directly from FARMA – The actual LOP total is 563, as opposed to a 572 end-of-project LOP target – a 98% achievement;
- Indicator 11: number of farmers, processors and others who have adopted new technologies or management practices made available for transfer as a result of FARMA assistance – The actual LOP total is 21,695, as opposed to an end-of-project LOP target of 23,018 – a 94% achievement.

Indicator 11 covers data on adoption for all of the project interventions. FARMA conducted a large number of trainings, such as on farm record keeping, correct pruning of fruit trees, artificial insemination of dairy cattle, and so forth. FARMA staff and consultants conducted field visits to farms and provided tailor-made technical assistance. Out of all those interventions, FARMA personnel estimated the share of recipients of assistance that actually adopted the assistance given.

Thus, in case of Indicators 10 and 11, project performance appears to have been quite good.

Now, to gauge effectiveness it is also important how much of the sub-sector companies and farms the project covered. The percentage of sectoral coverage (in terms of BAM value or output) was calculated based on data of POs' sales compared to industry data obtained from BiH Agency of Statistics (see table below). Sector coverage in 2011 ranged between 50 and 73%, and this increased to between 56 and 92% in 2013. The overall BiH sub-sector output value in 2013 for dairy was 275.597 BAM, of which FARMA beneficiaries contributed to 92%. The overall BiH sub-sector output value in 2013 for F&V was 138.791 BAM, of which FARMA beneficiaries contributed to 77%. The overall BiH sub-sector output value in 2013 for MAP and Honey was 62.400 BAM, of which FARMA beneficiaries contributed to 56%. On the whole, the total output value for the three sub-sectors in BiH in 2013 for was 476.788 BAM, of which FARMA beneficiaries contributed to 83%.

	Sub-sector value (BAM) in 2013	FARMA beneficiaries (BAM) in 2013	FARMA Sector coverage (%) in 2013
M&D	275.597	254.657	92
F&V	138.791	106.511	77
MAP and Honey	62.400	34.681	56
TOTAL (three sub-sectors)	476.788	395.849	83

Source: BiH Agency for Statistics, i.e. Industrial production in Bosnia and Herzegovina 2013, PRODCOM results.

http://www.bhas.ba/tematskibilteti/IND_2013_001_01_eng.pdf;

Sale of agricultural products on green markets in 2013:

http://www.bhas.ba/saopstenja/2014/AGR_2013_009_01-bos.pdf,

BiH export data (from the BiH Foreign Trade Chamber), BiH Agency for Statistics. Data were kindly provided by FARMA Team.

4.2.5 PIR4 – ENHANCED POLICY ENVIRONMENT TO BENEFIT COMPETITIVENESS OF BIH AGRICULTURAL GOODS

Results targeted to PIR4 were measured through three indicators, whose achieved progress was very good (though measured up to August 2014 as opposed to end-of-project LOP targets):

- Indicator 12: number of policy reforms analyzed – The actual LOP total is 30, against a 27 end-of-project LOP target – a 111% achievement;
- Indicator 13: specific policy constraints identified and action plans developed – The actual LOP total is 6, against a 6 end-of-project LOP target – a 100% achievement;
- Indicator 14: number environmental screenings/assessments completed – The actual LOP total is 115, against a 85 end-of-project LOP target – a 160% achievement.

FARMA has helped BiH institutions at various levels analyze issues pertaining to existing policies, regulations and programs and has provided recommendations that would either help in the creation of new policies, regulations and programs or improve the implementation of existing government policies, regulations and programs. Such analyses usually involved engagement of foreign experts to assess the current capacities, procedures and work of various institutions in the implementation of policies and programs, to identify constraints that FARMA target sub-sectors were facing on issues such as trade and compliance to EU standards and to recommend necessary steps that can be undertaken to address the identified constraints, meet EU standards and expand market access for food and agriculture products with a focus on trade with the EU. Here is a list of such products produced pertaining to policy related issues.

Products produced pertaining to policy related issues		Y1	Y2	Y3	Y4	Y5
1	EU Market Access Constraints for Agricultural and Food Products from Bosnia and Herzegovina	1				
2	Road map to create conditions to enable exports of products of plant and animal origin	1				
3	Regulation on honey and other bee products	1				
4	Regulation for honey and other bee products quality control	1				
5	The capacity of BiH phytosanitary laboratories to perform analytical tests on quarantine pests of potatoes according to EU standards (report by FARMA)	1				
6	National Variety list updates with new berry varieties	1				
7	The State of laboratories in Bosnia and Herzegovina (joint report by FARMA and FIRMA)		1			
8	Agricultural Cooperatives in BiH		1			
9	Moving the land market forward in BiH		1			
10	Progress Report Card on Road Map Implementation		1			
11	Progress Report Card on the export of potatoes and honey		1			
12	Monitoring program for Erwinia amylovora		1			
13	Regulations on geographic indication and traditional products (public discussion with the BiH Food Safety Agency)		1			
14	Assessment of phytosanitary laboratories: bacteria			1		
15	Assessment of phytosanitary laboratories: nematodes			1		
16	PDO and PGI in Bosnia and Herzegovina			1		
17	Capacity assessment of veterinary laboratories			1		
18	Assessment of phytosanitary laboratories: nematodes - 2012			1		
19	Assessment of phytosanitary laboratories: bacteria - 2012			1		
20	Establishment of a monitoring program for pesticide residues in food Mar 2013				1	
21	Evaluation of phytosanitary controls in the potato sector				1	
22	The role of laboratories in pesticide residue monitoring program				1	
23	Agriculture Insurance in BiH				1	
24	Meeting EU requirements for the export of products of animal origin					1
25	Monitoring of pesticides_PT_FSA					1
26	Risk assessment, FSA and Lab staff training program, report by NLZOH, April 2014					1
27	FSA Monitoring specific requirements for sampling for the Programme 2014, report by S. Lapajne, March 2014					1
28	RS Agricultural strategy ORGUT_Erjavec Report					
29	Simulation of audit Evaluation dairy for export to EU					1
30	Adjustment of the Action Plan for FVO June 2014					1
31	Adjustment of the Action Plan for FVO August/September 2014					1

In sum, in the case of Indicators 12, 13 and 14, the project performance appears to have been very good.

4.2.6 SPECIFIC AND CROSS-CUTTING ISSUES

FARMA also had objectives defined at the level of sub-sector and cross-cutting issues. In this case, however, it is difficult to gauge performance, as no progress verifiable indicators are available from the PMP. Annual milestones, however, have been documented in the Annual Reports.

M&D sub-sector

The primary objectives for the sub-sector included: (1) improving hygiene and milk quality and reaching EU standards; (2) improving the quality and volume of on-farm forage, while reducing costs; (3) improving dairy herd genetics; (4) improving record keeping; and (5) greater production of higher value products.

MAP sub-sector

The primary objectives for the sub-sector included: (1) expanding cultivation of medicinal and aromatic plants (MAPs); (2) moving towards higher value products; (3) bringing the MAP and honey sector up to EU standards and (4) improving marketing.

F&V sub-sector

To achieve FARMA's goals, the project concentrated its activities in three segments: (1) introducing new production technologies and standards in production and processing; (2) introducing new berry varieties to ensure the sector gains a competitive advantage in the long run; (3) facilitating market linkages, through participation in fairs and direct contacts with potential buyers, to help POs access higher paying markets.

EU INTEGRATION, STANDARDS AND ENVIRONMENT

The project continued intervention in three key areas: (1) improving the quality infrastructure to align with the EU *Acquis*, improve market access and increase competitiveness of the BiH agriculture sector; (2) assisting POs with implementing standards to prepare them for certification so they increase food safety standards and reach desired markets; and (3) ensuring environmental compliance to satisfy the requirements of the project's Initial Environmental Examination (IEE) and promoting sound environmental practices in alignment with environmental sustainability goals.

ACCESS TO FINANCE

The primary objectives of activities in this cross-cutting component included: (1) increasing the ability of POs to obtain new financing from commercial institutions; (2) increasing the ability of POs to attract new foreign investments; (3) disseminating information on available financial products for agriculture; and (4) preparing local POs to access EU pre- and post-accession agriculture and rural development funds.

DEVELOPMENT FUND

The Development (Grant) Fund (DF) Manual was designed to comply with the European Commission Grant Award Processes and future IPARD funding requirements to the extent feasible. Although there are differences in general funding structures, the FARMA DF fund was similar to IPARD's basic management rules and eligibility criteria. The FARMA DF objective, structure and characteristics reflected key IPARD principles.

MARKETING SUPPORT

Given the strong connection with promotion and marketing across USAID/Sida FARMA activities, a marketing component was integrated into the sectoral work.

GENDER EQUALITY

One aspect that is possible to disentangle from the analysis of progress indicators is gender equality and the promotion of women activities. In some case, in fact, indicators are disaggregated by gender although the PMP generally did not indicate a LOP gender-disaggregated target (see Year 5 Annual Report, table p. 93-94). In case of Indicator 1, project data show that the actual LOP percent change in sales of participating POs was 20% for women-headed POs , much lower than the overall LOP 56%. Conversely, the change in employment in participating POs (Indicator 2) was equal to 21% over the life of the project, against the overall 2% LOP change, a much better value.

The percent change in the value of exports of commodities linkable to FARMA assistance in participating POs was a staggering 628% for women-headed POs , as opposed to an overall 72% LOP increase.

As for the number of agriculture-related POs benefiting directly from FARMA (Indicator 10), there were 60 women-headed POs against 233 men-headed POs and 270 non-attributable ones. As for the number of farmers and stakeholders involved (Indicator 11), of the total 21,695 there were 5,131 women, about a fourth, probably lower than the number of women working in agriculture or in the three sub-sectors. The project should have possibly target or involve more women.

In this respect, in any case, some efforts by the project to engage women must be acknowledged: examples were women empowerment through MAP cultivation and beekeeping and project proposal and business-plan writing targeting women from rural areas. These were innovative groundbreaking activities introduced by FARMA and specifically designed to target women (with significant resources devoted to them).

One important reminder is important in dealing with gender issues here. By having gender-disaggregated data and showing that some women benefited from the project does not mean that the project targeted women directly – and it seems it is difficult to

say that FARMA was successful or unsuccessful on this issue since there does not seem to have been a specific goal around it, nor a target indicator. Did FARMA have any specific strategies for targeting women? Did FARMA work in sectors where women are more likely to work? Was the project built around a gender analysis? Did they use gender sensitive engagement methods? Gender equality should have been included in the objectives and have specific target to aim to. With no such target, it is difficult to say that women were successfully addressed by the project.

4.3 MAIN FINDINGS ON THE EVALUATION CRITERIA

4.3.1 RELEVANCE

Overall, relevance of project seems to be evident and strong. Broadly speaking: the project was relevant to the stakeholders' needs: interviewees generally confirmed very positive opinions of the project. The project design followed the previous LAMP project by addressing the same sub-sectors and cross-cutting issues, achieving good levels of results towards highly relevant objectives. The project design had a clear rationale, based on identification of priority needs for the chosen sub-sectors and cross-cutting issues.

All the four thematically **focused objectives** – Building sustainable market linkages for BiH producers; Increasing access to finance; Building the capacity of partner organizations and other counterparts; Enhancing the policy environment to benefit the competitiveness of BiH agricultural goods – were clearly defined. We may here confirm the mid-term evaluation statement that a logically valid means-end relationship between the overall project objectives and the four specific objectives – reflected in the four expected PIRs – has been established.

The three sub-sectors – milk and dairy products, fruits and vegetables, medicinal and aromatic plants – and the cross-cutting issues of EU integration and standards, environment, gender and youth were also appropriately chosen. Sub-sectors were chosen as a result of the previous LAMP project and stakeholders consultations, with an eye to their statistical relevance. With the objective of improving agricultural competitiveness in BiH and fostering economic growth and poverty reduction, certainly the focus on potentially vital and vibrant sectors was a decisive choice. In this sense, interviews with stakeholders and beneficiaries confirmed the importance of the chosen sub-sectors and the effectiveness of the intervention measures adopted.

And yet, the crucial issue is how the project implementing contractors translated the overall project objectives and their derived specific objectives into concrete actions and activities. For instance, PIR 1 – sustainable market linkages for BiH producers built – was interpreted as referring not only to primary producers, but also to other market integrators and downstream food processors, who would all contribute to improved market linkages for the agri-food sector as a whole.

The original USAID and Sida strategic objectives were combined to form one project objective: “Competitiveness of BiH agricultural products enhanced to expand environmentally sustainable production, agri-processing and sales of value added products demanded by markets.” In the results framework this was then modified to: “Increased agricultural competitiveness leading to economic growth and poverty reduction.”

And yet, the mid-term evaluation report stated: “Currently, the project objective appears to be an end in itself, and does not indicate why agricultural competitiveness is important to the country.” In this respect, a higher level, overall objective, such as: “Support to Bosnia and Herzegovina to achieve the goals of EU accession by adapting and approximating BiH agriculture and rural development sectors to the Acquis” would have helped to focus the project on the longer-term goal of EU accession and adoption of EU standards.

These are issues that have not been completely spelled out, which may have directed the project attention so as to target only selected groups of potential beneficiaries. For instance: who were the “producers” targeted by project and how were they identified? How were “improved sustainable market linkages” defined? The emphasis on market linkages and commercialization might be penalizing small-farm agriculture. If only well established agricultural producers are identified, small household farms are bound to be left out. True, FARMA reached out to these farmers through associations, cooperatives and businesses. And yet, registration criteria, structural features, access to credit, farm size, might all be factors that leave out a large number of potential beneficiaries. In BiH there appears to exist a small-farm subsistence agriculture that is largely marginal vis-à-vis the market and yet dominant and potentially very important for the take-off of the whole agricultural sector.

Increased competitiveness might translate into faster economic growth and poverty reduction, and yet there are several assumptions behind this assumption and a number of provisions and caveats that have to be taken into account. Increasing competitiveness of agricultural sector in BiH that would lead to increased economic growth and reduction of poverty means also taking the whole social and economic conditions of BiH agriculture into account: small farm size, small land plots, subsistence agriculture in remote rural areas, low quality products, low productivity, low standards. The question is thus whether the approach adopted by the project was appropriate for such conditions. Grants were provided to cooperatives, associations and businesses. A number of farmers were either final beneficiaries (for example, through new technologies on the farm) or were indirect beneficiaries (e.g. as the cooperative built a cooling chamber for the benefit of all farmers). And yet, by looking at the direct beneficiaries of grants and subcontracts and to the large number of other beneficiaries of trainings and technical assistance the answer seems to be a qualified “no”, or just “partly”. The project addressed the core of small-farm agriculture in BiH only partially.

A different case is that of flood relief and recovery grants. FARMA had 2,265,519.05 USD available for flood relief and recovery. Thus far, 64 grants have been approved – primarily to associations and cooperatives – to provide flood relief and recovery assistance to 2,768 farmers in total. Though not a single grant was awarded to an individual farmer; all grants benefited exclusively individual farmers. The formal grant recipients (such as associations and cooperatives) had no direct benefit from such grants. It would have been an much higher burden on the project, but also on individual farmers, to administer 2,768 grants as opposed to 64 grants.

In any case, while cooperatives and associations are certainly a way to make small farmers organize themselves in order to be able to get various benefits and enjoy some scale economies in applying for grants and subsidies and receive trainings or technical assistance from various sources, those are not necessarily common nor easy to put together. Significant efforts have then to be put on the creation of cooperatives and associations by favoring the identification and appreciation of common grounds and shared objectives for the multitudes of small household farmers spread on the rural remote areas of BiH countryside, a country where the past influence of a culture of “socialist values” gave cooperatives and association certain features that appear somewhat stained, conditioned by practices that are quite distant from today's market “values” and attitudes.

In sum, we may say that the project objectives were certainly relevant in as much as they involved a core sector component on which they would leverage increased competitiveness of the whole sector. How much this would spill over to the rest of the sector is very much debatable. Project objectives of higher relevance – competitiveness not for the sake of itself but targeted to something else – should focus in a broader way on the reality of BiH agriculture, so as to address not only market development but living conditions in rural areas and broad-based rural development as well (as pre-conditions for steady economic growth).

As for the cross-cutting issues, some of them appear to have been slightly overlooked. “EU integration and standards” and “access to finance” were properly addressed in the results framework to a significant extent and with verifiable targets. “Environment” was arguably part of PIR 1 – building sustainable market linkages – and Indicator 6 – number of producers in selected sub-sectors achieving certifications aligned with EU standards and requirements – , as certification systems such as HACCP, GlobalGAP and organic include environmental compliance. Also, equality and distribution issues were not mentioned neither in the project design nor in the result framework. Market Information Systems (MIS), which is also a cross-cutting issue, was not included in the results framework. On the other hand, gender equality was systematically taken into account in several indicators (see above), and yet, there was no target not a systematic objective to aim to, which makes its relevance overlooked.

4.3.2 EFFECTIVENESS

Overall, project has achieved its objectives, although indicators are short of target value in some cases. Project implementation was effective – as confirmed in the Results section above.

Broadly speaking, the project was effective in the use of resources; it achieved its own objectives and planned results: it improved market linkages for BiH producers; it improved access to finance (for BiH producers); it built capacity of producer organizations and other counterparts; it contributed to enhancing the policy environment to benefit competitiveness of BiH agricultural goods; and it improved overall competitiveness of the agri-food sector, at least in the targeted sub-sectors.

While some of the indicators show very significant impact and appear to be quite effective towards the achievement of the specific objectives, results cannot be solely attributable to FARMA, and it is important to compare them with overall performance of sub-sectors. As we have seen above, in several instances, FARMA seems to have been quite effective in progressing towards the desired objectives.

For instance, interviews with beneficiaries confirm that technology improvements promoted by FARMA through grants and subcontracts were having a very positive effect. Also, technical assistance in adopting standards and certification shows significant degrees of satisfaction.

However, questions are: how much have the overall sub-sectors benefited? How many beneficiaries benefited? What is the percentage of beneficiaries' output value over overall sub-sectors' output? Was it FARMA effective in contributing to overall project goals? The answer in this case, as we have seen above under Results, is possibly “yes”, with some qualifications on employment, environment, gender equality, youth and possibly small-size farms. In particular, it appears that the project involved a lower share of women than those employed or active in agriculture in BiH on the whole, and this is probably due to having selected a larger number of medium-size farms and enterprises, as opposed to those small household farms where most women are active.

4.3.3 EFFICIENCY

In order to assess efficiency, the project **transaction costs** should be compared to the **benefits** realised, while assessing whether the inputs have been provided as planned and adequately to meet requirements and whether the quality of project services were

as planned and led to the desired delivery of outputs. In terms of **costs (expenditures)**, the latest contract budget allocation for FARMA can be seen in the table below.⁷ Most of the funds are allocated to core FARMA activities (Contract Line Item Number CLIN 1). There are also separate budget allocations for project activities that are conducted with the Czech Development Agency (CLIN 2 and CLIN 3) as indicated below.

Cost categories	Amount
<i>CLIN 1 – Core FARMA Activities</i>	
Technical assistance plus fixed fee	\$16,887,337.00
Development fund (grants program)	\$2,700,000.00
Flood relief response grants (USAID)	\$1,253,349.00
Flood relief response grants (Sida)	\$1,012,170.05
CLIN 1 Total estimated cost plus fixed fee	\$21,852,856.05
CLIN 2 – EDCF National Residue Monitoring Program	\$158,000.00
CLIN 3 – EDCF Certification and Control of Plant Materials	\$248,614.00
CLIN 1, CLIN 2, CLIN 3 Total Estimated Cost plus fixed fee	\$22,259,470.05

Budget and annual expenditures have varied over the years as shown in the table below.

	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012	31 Dec 2013	30 Nov 2014
Contract budget⁸	\$10,644,043	\$10,644,043	\$10,644,043	\$13,998,686	\$18,998,686	\$22,259,470
Annual expenditure	\$712,114	\$3,142,491	\$4,589,329	\$2,877,760	\$3,762,953	\$4,282,914
Total project expenditure up to 30 Nov 2014	\$712,114	\$3,854,605	\$8,443,934	\$11,321,694	\$15,084,647	\$19,367,561
Time lapsed (%)⁹	11%	44%	78%	83%	79%	93%
Budgeted funds spent (%)	7%	36%	79%	81%	79%	87%

⁷ Data were kindly provided by the FARMA Team.

⁸ It should be noted that the overall contract budget was increased several times during the project.

⁹ Time lapsed is calculated as the number of months into the project divided by the number of months as per contract at the time. The project was initially set at 3 years and was extended an additional 12 months, a further 18 months and a further 3 months and these modifications are reflected under “time lapsed” and “budget funds spent”.

The project managers did not keep detailed records of expenditures for each activity or component within the FARMA accounting system (with the exception of CLIN 2 and 3). However, project expenditures per component can be determined for some budget line items, notably grants, subcontracts and short-term local and international staff, and this is indicated below.

Development Fund Grants. FARMA had 2.7 million USD available for development fund grants. Below is a detailed breakdown of these grants (i.e. approved grants as of 31 December 2014) by agricultural sub-sectors.

TARGET SECTORS - APPROVED GRANTS					
Sub-Sector	Number	USD ¹⁰	BAM	Ratio Value BAM	Ratio No of Grants
F&V	38	1.214.258	1.736.389	45%	41%
M&D	24	624.545	893.099	23%	26%
MAP&Honey	26	768.677	1.099.208	28%	28%
Cross Cutting	5	90.428	129.312	3%	5%
TOTAL	93	2.697.908	3.858.008	100%	100%

Cross-cutting grants include organic manure production, organic certification, MIS, traditional products fair.

Flood relief and recovery grants. FARMA had received 2,265,519.05 USD available for flood relief and recovery grants. Below is a detailed breakdown of those grants (i.e. approved grants as of 31 December 2014) by agricultural sub-sectors. The subdivision of grants by sector was broadly aligned with the preliminary assessment of the damage to agricultural sectors in BiH (UN/WB/EU-led flood assessment).

FLOOD RELIEF - APPROVED GRANTS						
Sector	Number	USD	BAM	Ratio Value BAM	Ratio No of Grants	UN/WB/EU Assessment of damage
Fruit and Vegetables	13	496.370	744.555	22%	20%	37%
Dairy, Livestock, Poultry	41	1.438.962	2.158.443	65%	64%	62%
MAP&Honey	3	93.445	140.167	4%	5%	<1%
All sectors	7	185.284	277.926	8%	11%	na
TOTAL	64	2.214.061	3.321.091	100%	100%	100%

¹⁰ Estimate in dollars is based on an exchange rate of USD/KM of 1.43.

Subcontracts. FARMA utilized (primarily local) subcontracts to implement some of FARMA activities and build local capacity. This is part of CLIN 1 technical assistance budget line.

TARGET SECTORS - SUBCONTRACTS				
Sector	Number	USD	BAM	Ratio Value KM
F&V	9	177.223	255.202	15%
M&D	7	152.568	219.698	13%
MAP&Honey	9	309.347	445.460	26%
EU Integration, Standards and Environment	17	249.074	358.666	21%
Finance	12	155.960	224.582	13%
Marketing	4	103.807	149.482	9%
All sectors	2	41.665	59.998	4%
TOTAL	60	1.189.645	1.713.088	100%

Local Short-Term Technical Assistance (STTA) has also been used to implement some of FARMA activities and build local capacity.

TARGET SECTORS-STTA – LOCAL EXPERTS Sept 2009-Nov 2014				
Sector	Number-LOE days	USD	BAM	Ratio LOEs
Fruit and Vegetables	404.5	57,081	82,196	24.78%
Dairy	77.5	8,656	12,464	4.75%
MAP&Honey	276.75	45,125	64,980	16.95%
EU Integration, Standards and Environment	156.75	29,333	42,240	9.6%
Finance	6	1,309	1,885	0.37%
Marketing	292.75	49,678	71,537	17.93%
All sectors	418.25	59,001	84,961	25.62%
TOTAL	1,632.50	250,183	360,263	100%

International STTA was used in instances where there was insufficient local capacity to implement certain activities. The vast majority of these activities were related to EU Integration and Standards component i.e. efforts to help overcome constraints to the export of products of plant and animal origin to the EU. Most of the international experts were engaged through Orgut.

PROJECT TECHNICAL ASSISTANCE – USN / TCN EXPERTS/ LEVERAGE WITH OTHER DONORS Sept 2009-Nov 2014		
SOURCE	USD	BAM
USN and TCN EXPERTS	57,081	82,197
ORGUT	794,169	1,143,603
GROLINK	36,595	52,697

In order to measure the **relative efficiency** of FARMA project we may compare the **transaction costs** – i.e. those directly related to project activities – with the value of the accrued benefits from those activities. As a matter of fact, not all benefits are quantifiable, for example capacity building of institutional partners (such as the Plant Health Administration, the Food Safety Agency and the State Veterinary Office). And yet, it is useful to compare transaction costs with the benefits that can have numerical values, as this provides a reference to the use of resources, a measure of “value for money” for the donors and investors.

In order to calculate transaction costs, we first need to assess **total project costs**. The total invoiced costs starting from August 31, 2009 (when the contract was officially signed) through to November 30, 2014 per categories are provided in the table below.¹¹ This is a different breakdown of the same total expenditures shown above.

FARMA expenditures	31 August 2009 – 30 November 2014
Personnel Cost (Salaries, Fringe and Overhead)*	9,345,184
Travel & Transport	263,323
Allowances	442,399
Other Direct Costs	1,108,893
Equipment, Vehicles, Freight	106,718
Training	300,237
Sub-contracts and CzDA Coop**	2,178,727
Grants	3,566,545
G&A, Fixed Fee and Grants Admin Fee***	1,940,261
TOTAL	19,252,286

* Personnel costs include Local Long Term Personnel, Local Short Term Personnel, US and Third Country Nationals (TCN) Short Term Personnel, Home Office Personnel, and then total fringe plus the Chemonics overhead assessed on the professional services

** This includes local and regional subcontracts, Orgut, Grolink expenses as well as cooperation with Czech Development Agency (CzDA) through CLIN 2 and CLIN 3

*** Chemonics Fees under the Contract

¹¹ Data were kindly provided by FARMA Team.

Actually, in the table above, total expenditure as of 30 Nov 2014 was \$19,367,561, the difference being due to \$115,276 of exchange rate adjustments and roundings.

We can now highlight those expenses that are regarded as costs that cannot be specifically attributed to activities of planned results, such as project start-up, indirect costs and the costs of support by Chemonics Home Office based in Washington DC. These can be considered as **fixed costs**. These costs have been also accounted for the period August 31, 2009 (official signing of the contract) until the last invoice from November 30, 2014.

FARMA fixed expenditures	31 August 2009 – 30 November 2014
A. Start-up Costs	
staff (adverts)	\$1,133
systems set-up	\$1,024
office make ready	\$4,799
legal, admin, tax	\$797
Translations	\$1,346
start-up meeting/launch	\$3,757
A. Sub-total start-up	\$12,856
B. Indirect costs	
Office rent & maintenance	\$338,118
Supplies	\$35,434
Furniture/equipment	\$113,271
Network maintenance	\$19,002
Vehicle maintenance & fuel	\$160,701
Banking expenses	\$48,497
Insurance	\$30,664
Communications (phone, internet)	\$123,355
B. Sub-total indirect costs	\$869,042
C. Home Office support	
Includes Salaries, Fringe and Overhead	\$325,898
C. Sub-total Home Office support	\$325,898
TOTAL (A+B+C)	\$1,207,796

By subtracting the total estimated costs that are not directly attributable to implementation of technical assistance (fixed costs) from the total invoiced amount for the period August 31, 2009-November 30, 2014, we get the amount that represents those costs that are regarded to be in a direct relation to technical implementation of the project.

Total FARMA expenditures to 30 Nov 2014 USD	\$19,367,561
minus:	
Outlays during start-up period (Q1 & Q2)	\$12,856
Home office support	\$325,898
Indirect costs	\$869,042
Estimated total transaction cost for 62 months	\$18,159,765

The total net of 18,159,765 USD is equivalent to 25,968,464 BAM. This way, the share of fixed expenditures over total direct project expenditures turns out to be 6.24%.

Given these figures on project costs and expenditures, we can now turn to the **beneficiaries' results**. A comparison of transaction costs with quantifiable beneficiary results in monetary terms requires reliable data for specific indicators. Following the same approach adopted in the mid-term evaluation review, we can look at two of the project's 13 indicators used to monitor project progress, as in the PMP, which are suitable for such a comparison, because they can be adapted and expressed as monetary gains. These three indicators are Indicator 1 [Change in sales of participating producer organisations] and Indicator 5 [Change in the value of international exports of agricultural commodities linkable to FARMA assistance].¹²

A very rough estimate of the “net” contribution of FARMA to the increase in sales in participating POs (beneficiaries) is to subtract the average growth rate of the three sub-sectors sales from the observed change in sales of FARMA beneficiaries. The latest data available show that the overall changes in sales in the three sub-sectors in BiH between 2009 and 2013 has been equal to 19.1% – from 400,240 million to 476,688 million BAM. The gross percent increase in sales for all beneficiary POs between 2009 and 2013 was around 61.5%. The “net” increase was then just 61.5-19.2=42.4%, i.e. 98,019 million BAM. Thus, total project “investment” (expenditure) of 25,968,464 BAM has resulted in an increase in sales equal to 3.78 times higher, a good performance.

¹² Indicator 8 - Change in the value of loans and investments in assisted Pos – is also expressed in monetary terms. However, in this case, there are no data available at the aggregate level on loans and investments by sub-sector.

As for the increase in exports, the latest data available show that the overall change in exports in the three sub-sectors has been equal 33.4% between 2009 and 2013 – from 136,515 million BAM to 182,093 million BAM. On the other hand, the gross percent increase in exports for all beneficiary POs between 2009 and 2013 has been around 81.2%. Thus, the “net” increase in exports was just 47.8%, which is equivalent to 35,870 million BAM. Thus, total project “investment” (expenditure) of 25,968,464 BAM has resulted in an increase in exports equal to 1.38 times higher, which is also a decent performance.

In conclusion, the mid-term evaluation stated that: “it can be claimed with reasonable validity that FARMA is having a strong catalytic effect on improved performance in the three sub-sectors as evidenced by the substantial increases in sales revenues and export values by participating POs.” Though our numbers are different and less buoyant, we can therefore subscribe that statement, based on the same approach. FARMA has had a visible catalytic effect on the three sub-sectors in terms of market gains that have been felt in increases in sales and exports.

If we ask whether the intervention could have been implemented with fewer resources without negatively affecting the quality and quantity of the results, the answer will obviously depend on a detailed analysis of the costs. We have no information on detailed costs – e.g. study visits, per-diem – but some have criticized project approach of being too generous and “spoiling” stakeholders with unsustainable practices. True, some activities might not directly contribute to the project goals and more can be gained in terms of efficiency. But we may conclude that the project was certainly efficient in delivering the planned results and economically worthwhile.

4.3.4 IMPACT

Making an assessment of impact is always difficult, particularly when very limited, reliable and timely statistical data is available as evidence at the country level. Impact normally refers to the net effects of the overall intervention assessed at global level, i.e. the totality of the effects. It should be a judgement about the extent to which the project has achieved its objectives, also considering the higher-level impact on the socio-economic and environmental conditions in the medium- to long term. And it should also link back to the relevance and effectiveness of the intervention.

Here, we can present a very brief assessment of impact. It is true that several of the measurable results, such as increased sales and exports, new products in new markets, certifications achieved, greater investment and new technologies used and increased profitability can be rightly claimed to lead to improved competitiveness for the direct beneficiaries (and somehow to non-beneficiaries through imitation effects rather than spill-overs or indirect demand). In this regard, supports to institutional reform and wider EU alignment are complementary, and indeed necessary pre-conditions for improving overall competitiveness of the sector.

If all this is to be sustained, then the project will have had a permanent visible impact. Many producer organisation beneficiaries interviewed confirmed increased income and viability from participation in FARMA activities and greater optimism for the future through the knowledge gained and the investments made. Similarly, institutional partners agree that capacity had been built and progress had been made towards priorities with FARMA support and that the outcomes will have long-term positive impact.

As we have seen above under Results, with no doubt FARMA has achieved strong results in the focal areas of the project. Individually and combined, the results can be assessed as contributing strongly to the project objective of improved agricultural competitiveness and economic growth. Project has had visible impact on beneficiary POs, as shown by quantitative indicators, particularly in improved market linkages for a number of companies and farms, increased sales and exports, number of products eligible for EU markets, access to finance, increased technical capacity and skills.

Impact on BiH agriculture at large is more difficult to gauge. One way is to look at how much have the sub-sectors benefited, overall, from FARMA interventions. If we compare the output value of FARMA beneficiaries with the total output value for the three sectors we have an idea of how relevant was FARMA impact. The percentage of sectoral coverage (in terms of BAM value or output) can be calculated based on FARMA data of PO sales compared to industry data that can be obtained from the BiH Agency of Statistics. Sector coverage in 2011 ranged between 50 and 73%, and this increased to between 56 and 92% in 2013 (see table below).

	Subsector value (KM) in 2013	FARMA beneficiaries (BAM) in 2013	Sector coverage (%) in 2013
M&D	275.597	254.657	92
F&V	138.791	106.511	77
MAP and Honey	62.400	34.681	56
TOTAL - three sectors	476.788	395.849	83

As we can see, the degree of coverage of FARMA was quite high and we may thus expect that its impact was felt and is going to be quite relevant.

On the other hand, impact on policy environment and institutional structure seems to be more limited. There have been very few advances on the policy reform side, although FARMA indicators on this are quite positive. Also, project objectives were in line with some of governments' development strategies, although their contribution is difficult to assess.

In short, some of the direct impacts will certainly contribute to overall objective of increased competitiveness, while others appear to be only as pre-conditions for improvement (like EU standards).

4.3.5 SUSTAINABILITY AND OWNERSHIP

For a number of beneficiaries, FARMA possibly gave impetus and strength beyond project duration. Local ownership of the project was clearly established, in as much as BiH institutions and beneficiary groups, in several instances, might have done a similar FARMA-type of intervention if they had the resources. Conversely, ownership at a higher institutional level appears to have been somehow limited, particularly at the Entity level – but that is crucial for effective policy implementation and regulation enforcement.

Many POs and Partner Institutions highly regard FARMA's intervention and support, and it seems that many of them are willing to continue in their new engagements beyond the life of the project. Project support for institutional partners was well valued. Nevertheless, many feel that, once the project ends, they will be left in the middle of a river crossing: who will provide for the services, the training and the support the project was offering them? In many instances, there seems to be still a great need for support.

Also, for the majority of those who benefited, participating in trainings and various form of technical assistance, sustainability is not so sure. Training and capacity strengthening had certainly good impact, so that their effects will stay. Better equipment and new machinery may also stay, but for how long? Overall, it seems that many of the needs of farmers, food processors and stakeholders will remain after FARMA ends.

The mid-term evaluation of the project concluded that “from a sustainability perspective, the project should be viewed as successful if a significantly greater proportion of those needs can be provided for by BiH administrative, service and market structures than was the case before FARMA started. For this to happen, the capacity of the relevant actors needs to be built with the support of FARMA and other on going complementary national and international interventions.” Those conclusions remain valid. Each of the four project intermediate results (PIRs) that FARMA was to achieve involved delivery of activities that were building that kind of capacity for sustainability. In a way, all activities targeted to the 13 indicators had sustainability aspects. This notwithstanding, the primary emphasis of the project, through its agreed design, was on achieving tangible results during the life of the project, assuming that they would also have a longer-term positive impact.

Generally speaking, many interviewees have expressed concern that after the project ends the quality of extension services will drop significantly and that there will be no facility providing for technical assistance or help in improving their equipment. Others have actually acknowledged that they feel so much more confident that, as their

knowledge and understanding of how improvements can be made has increased so considerably, they will know how to look for the right advice and resources to continue developing whether or not an international project is there to help them. Many interviewees rate some BiH institutional advisers quite highly, others much less so. BiH extension structures and systems are generally considered as not quite flexible or responsive to the farmers' needs.

One of FARMA implementation priorities was to train and develop local advisory capacity as much as possible, e.g. through the “sub-sector schools” and study tours, and it is difficult to say whether such efforts will prove sustainable. Building sustainable capacity among partner organisations and groups, taking due account of project resource limitations, has been one of FARMA constant concerns. This effort will prove sustainable in as much as BiH institutions have developed their own strategies and operational plans for wider sector development and adequately provide resources for them to meet future needs. In this respect, it appears that two “links” in the institutional “net” supporting agricultural development have been somehow left on a side and have not received enough attention from FARMA, at least in the Federation of BiH: Agricultural Extension Services (AES) and Inspectorates.

While a number of training programs, especially in the dairy sector, were conducted in cooperation with AES especially in the RS, no activities involved AES in FBiH. AES Officers also participated in relevant FARMA training and study tours. The co-operation with AES in RS was effective in the dairy sector because almost all extension officers are dairy or livestock experts, very few are trained in F&V production and none are involved with MAPs.

AES should eventually provide that kind of constant advice, technical assistance that is demanded by farmers on the ground, on an almost daily basis. This was one of the acknowledged pluses of FARMA: the ability to provide a steady supporting presence to its beneficiaries. This effort will be sustainable only in as much as it will be replaced by BiH institutional partners. Unfortunately, it seems that AES, in particular, have not been given too much attention by FARMA. Inspectorates, on the other hand, are the operational arm of a good safety and health system (for animals and plants), they enforce rules and regulations, they provide advice on how to comply. Inspectorates have not been the direct target of any FARMA specific activity. In the interviews, it was felt that the institutional “chain of command” from BiH regulatory bodies down to the local offices was lacking coordination and that some of the technical assistance and support that was provided by FARMA to those institutions should have been also addressed to the Inspectorates. FARMA supporting role in the policy dialogue and reform design will prove sustainable only in as much as all BiH institutional structure devoted to the enforcement and implementation of standards and regulations will be working according to the lessons learnt.

As for the Inspectorates, while significant amounts of training were provided to phytosanitary and veterinary inspectors (regarding potatoes, milk and honey), so that some progress has been achieved in some areas as a result of FARMA, more progress is

generally needed. In this respect, the EU Progress report for BiH for 2014 stated: “A Food and Veterinary Office mission to evaluate plant health controls applied in the potato sector was conducted in April. Official controls and the situation as regards the main harmful organisms affecting potatoes were assessed as generally positive. The legal framework, work of diagnostic laboratories, and control at border inspection points are generally harmonised with the EU acquis. Certain insufficiencies have yet to be remedied to enable the export of ware potatoes to the EU.” The progress achieved can possibly be attributed, partly, to FARMA's contribution.

5 Conclusions

In these conclusions, we will briefly point out the factors of success and failure of FARMA, paying attention to the intended and unintended results and impacts, and more generally to any other strength or weakness.

FARMA Project was designed with a number of stakeholders, it was initially in line with both USAID and Sida's priorities. Relevant sub-sectors and areas of intervention were defined during the initial stages. Currently, FARMA is still in line with Sida's current priorities highlighted in the new strategy.¹³

Overall, interviewees confirmed very positive opinions. We may say that the general level of satisfaction of beneficiaries with the project was high. [evaluation question E1].

On the whole, the operational structures put in place by Contractor seem to have been appropriate, with sufficient resources for delivery of activities to achieve the desired outputs and results. In this respect, the project was **efficient**. The means-end relationship – i.e. the intervention logic – was good. Engagement and complementarity with other donors has also been good (but with room for improvement).

Good progress has been made towards achieving project results according to almost all indicators (latest Annual Project Report). The project was **effective** in the use of resources in achieving the planned results (with some qualifications):

- improved market linkages for BiH producers;
- improved access to finance (for BiH producers);
- built capacity of producer organizations and other counterparts;
- an enhanced policy environment to benefit competitiveness of BiH agricultural goods;

13 See Sida *Results strategy for Sweden's Cooperation with Eastern Europe, the Western Balkans and Turkey, 2014-2020*.

- overall improved competitiveness of the agri-food sector.

Overall, there appears to be good **development impact** emerging (but impact on employment will vary within and between sub-sectors). The project was absolutely **relevant** to the stakeholders' needs and had a visible **impact**.

In this respect, one issue on which the impact of the specific FARMA assistance towards institutions was felt was that of exports [evaluation question 5]. Not only bodies like the Foreign Trade Chamber of Commerce received constant support and were enhanced by FARMA assistance, but the whole action and results on marketing and export promotion confirm that FARMA had a positive impact on BiH export supporting institutions.

Gender and environmental issues have been taken into account, with attention given to women participation and qualitative production standards.

Suggestions and recommendations from mid-term evaluation and audit reports have generally been taken into account.

As for the overall assessment of quality end **sustainability** of the project efforts [evaluation question 2], we may conclude from the above analysis that it was satisfactory, though more could be done. As for the support to individual companies or farms, sustainability generally appears to be more promising than that provided to public institutions. FARMA was generally perceived by local institutions as a good interlocutor and supporting facility, though not always in tune with the political dynamics of public dialogue in BiH. Though we may certainly agree that the assistance provided by FARMA improved institutional capacity of the assisted institutions to analyze, lobby, support, inform, and advocate [evaluation question 3], there remains a gap between international donors' intentions and BiH recipient institutions in this case. Conversely, the level of sustainability of the invested support to producer organizations appears to be good. [evaluation question 4]. Also, the interaction between public and private sector actors is still fragmentary, though FARMA contributed to its improvement [evaluation question 6].

The list of **success factors** is quite rich. FARMA Project was very popular among a good number of beneficiaries and producers organizations. This was due to various reasons: flexibility, attention to the needs of beneficiaries involved, good-sized grant and sub-contract components; numerous training activities, study tours and support actions, availability of staff to beneficiaries' demands.

The grant component was able to accommodate “practical” needs of several established producer organizations and companies and farms. Through grants, FARMA was able to accommodate practical needs and was felt as “close” to producers' demands. In spite of “bureaucracy” and formal requirements to qualify for direct benefits, many beneficiaries feel the project supported and helped them all the way through – USAID's and Sida's assistance was felt as “close” to their needs.

A certain subsidiarity function of the project helped the weakest institutional partners to get strengthened (e.g. PHA, SVO, FSA). If some BiH institutions regulating agricultural and food production have now a much clearer role and if their authority is felt, it is certainly thanks to the assistance and support of FARMA.

Finally, FARMA addressed some of the limitations highlighted in EC Value-chain analysis for the three sub-sectors (e.g. business services, training, increased capacity and technical equipment), thus contributing to their development on the road to a fully competitive market.

Though there are no specific **failures** to flag, there are **weaknesses** that FARMA has had that should be addressed in an eventual follow up project.

In spite of addressing BiH producers and their organizations in the chosen sub-sectors, quite a number of potential beneficiaries have (possibly) been excluded from access to grants (and to finance) by lack of eligibility and compliance with minimal standards (company/farm registration, information, capital and adequate equipment). This appears to be a drawback of the system: by adopting certain formal requirements for eligibility to receiving grant support or to applying for a subcontract, FARMA excluded from the potential pool of applicant a possibly large number of small farms and enterprises across BiH. It is true that the purpose of the project was to support agriculture so as to make it more competitive by strengthening market linkage. And yet, as BiH agriculture is largely made of many small household farms and food processors – which are not necessarily subsistence farms but may be somehow “informal” or not fully complying with registration requirements – by cutting off from receiving grants or signing contracts those potential beneficiaries, the project may have narrowed the scope of its intervention and reduced its potential impact.

Undoubtedly, results show that the project has been generally successful in achieving its (specific) objectives towards the overall objective. And yet, by focusing on a limited number of eligible beneficiaries – which because of their formal requirements were deemed to be the most structured and well established ones – the project has failed to address BiH agriculture at large, or at least by and large its vast base of small-size farms. The logic is clear (and it was even stated in interviews with the Team): address the healthy and more promising part of BiH farm and food processor fabric, support it and make it grow, and the rest will follow. This might be true: the impact on sales, exports and market competitiveness was certainly felt. And yet, the question is how much this is going to spill over to the rest of BiH agriculture. Is it by showing small farmers that “only those who comply with certain requirements will receive grants, finance, or assistance” that they will abide and convert? Certainly, “administrative complexity” of FARMA grants was also a factor: grants were regulated by USAID contractual regulations and had to comply with them. In this respect, while accessing EU IPARD assistance appears to be much more administratively complex, it could be argued that learning by applying for FARMA grants will help producers access IPARD funds once they become available. As a project, FARMA

supported applicants by organizing get-to-grants trainings aimed at facilitating application process and helping them understand what is required from applicants.

And yet, this is a double-edged sword, as it might ultimately end up generating a wedge between the growing share of agricultural economy and the stagnant, surviving one, which will simply adapt and survive. Often, when small farms are not able to “grow” – adopting more modern standards, new equipment and technologies, new management practices – is not because they reject to do so, but because they are not able to, they do not have the means and the (physical, financial and human) capital. In this respect, the project should have possibly had a more flexible approach, even from the administrative point of view.

Emphasis on adoption of safety and other EU standards can backfire on small producers if not followed by adequate support, information, awareness and “encouragement”. The issue of “standards” is also one that is deemed to create artificial wedges, which are now addressed in EU countries with attitudes that are different from the ones that were used in the past. The current attention to “natural” and “traditional” production practices in agriculture and in farming – not to speak of organic and “biological” food – is being addressed certainly by not obliging farms and food processors to standardize, to industrialize and to mechanize. Traditional production methods can go hand in hand with small farming and rigorous health safety practices if accompanied by knowledge transfers, good practices and tailor-made technical assistance. This is something to keep in sight in a follow up project (see below, on lessons learned).

A second weakness was that institutional support was considered as complementary to the achievement of project objectives. However, the role of institutions, regulatory bodies, enforcement structures and extension services is crucial for implementation of EU standards and regulations, as well as for policy development and reform. Stronger action should have been taken to strengthen and streamline the regulatory setup in the areas involved. An example is the different institutional arrangement that BiH has created in the areas of animal health and food of animal origin on one hand and plant health and food of non-animal origin, on the other. The institutional setups in the two cases are different – and it makes no sense –, from the State to the local authorities. Even though it was beyond the project scope of work, FARMA could have helped more all BiH institutions involved streamline and simplify such setups. True, the context of the political environment was often not conducive to reform. And yet, FARMA could have possibly fostered a more thorough institutional reform process, maybe in cooperation with the EC Delegation in BiH and other major international donors. Moreover, as we argued above, two fundamental sets of institutional partners have been somehow neglected by the project: inspectorates and agricultural extension services (AES). Their involvement would have made FARMA policy reform effort more effective, at least for its practical effects.

A third weakness concerns some of the bottlenecks and limitations of the three chosen sub-sectors that were known at the beginning of the project and, yet, they have

not been addressed. Those limitations had been highlighted in EC Value-chain analysis: e.g. small-size dairy farms still receiving little assistance from AES; land distribution issues not tackled at policy level; support to creation of cooperatives should be prioritized as opposed to increasing individual capacity of medium-sized companies/farms (exception was dairy producers *Milkos*); lacking support to infrastructure and complementary factors (transport, milk and product collection, etc). True, some of those limitations go beyond the scope of project, and yet it appears that the focus has been somehow narrowed down to achieving good results on the sale and export side, mostly, thus neglecting some other structural factors.

One last weakness concerns the degree of dialogue and pro-active cooperation that the project achieved with BiH institutions. While this was generally good, the project was not always effective in being “contributing to” the development of agriculture in BiH, thus “fostering” BiH institutions. Rather, FARMA somehow suffered the typical “foreign assistance syndrome”, stepping in in a subsidiary fashion, replacing local institutions when they were missing or absent, making assistance fungible. True, farmers and producers need assistance and support and, when this does not come from their country's institutions, foreign assistance does the job. And yet, the project went on its own, according to its agenda, practices, requirements, by-passing the lack of institutional interlocutors by acting on its own. More involvement should have been put into action, more going hand-in-hands should have happened all the way from the beginning. Some intermediary institutions lamented a certain lack of information sharing, for instance, which was only partially addressed by the creation of the Project Coordinating Body. This is a recipe for sustainability: working with local partners so as to make them the protagonists of the intervention and enabling them to go ahead once the project is gone.

Finally, a remark concerning the policy dialogue action and the overall intervention logic. Small farm agriculture in BiH cannot be simply eliminated by pointing to medium-size farming and market-oriented food processing enterprises. A careful mix of market incentives and policy support should be possibly devised so as to favor access to market for small farms. In this respect, subsidies currently provided by governments should have been addressed (not “demonized”) in the context of policy development – they can be an intermediate support tool for small farms (as the experience in EU countries shows). Subsidy policy needs to be harmonized across Entities and in line with development objectives with an eye to promoting subsistence agriculture into economically viable agriculture.

6 Recommendations

In an evaluation, recommendations are proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; or at the reallocation of resources. Based on the conclusions of our findings reached above, we will briefly formulate here the following recommendations on the way ahead (thus responding also to evaluation question 8).

In light of the positive results the project should be replicated: a time horizon of 5 years is too short to accrue benefits at sub-sector level. Many actions need further support to reach a degree of “maturity” as well as an increasing absorption capacity by the beneficiaries. A FARMA II could thus capitalize on the previous project, by enlarging the pool of beneficiaries, replicating good practices and best examples, and building on the factors of success: flexibility in adapting to the conditions on the ground, attention to the needs of beneficiaries involved, good-sized grant and sub-contract components; targeted training activities and support actions, availability of staff to beneficiaries' demands.

Thus, Sida and USAID should plan for and approve a FARMA II project with appropriate funding resources to further capitalize on FARMA's achievements. FARMA was a complex intervention project in a complex development environment: a new project with a similar time horizon – if it can start right away at the end of this project – will thus give a whole 11-year window for the intervention to have a permanent and enduring impact. There will be considerable merit in extending FARMA for an additional 5 of 6 years.

If replication is out of question, the question might be the filling of the gaps in the current FARMA approach and how these could be corrected in the next project phase [evaluation question 7]. An extension should be based on a thorough analysis of options for targeting assistance to maximize performance in response to priority sector needs, paying special attention to the fine-tuning and calibration of **objectives** and **target sub-sectors**.

Identifying the sub-sectors where to target assistance is going to be crucial. Given the positive results achieved in the three sub-sectors of M&D, F&V and MAP and Honey, there are two options. One is to keep targeting the same sub-sectors, so as to capitalize on the results achieved and to bring to a further stage of maturity the progress of those sub-sectors. The other option is to choose other sub-sectors, so as to broaden the effects of the intervention, extending the pool of beneficiaries, support the growth of BiH agricultural sector as a whole. Targeting, say, cattle raising and meat produc-

tion, or cereals, might be challenging and, ultimately, as useful as was targeting milk and dairy, fruits and vegetables and MAP and honey. Based on the analysis above, we would recommend the first option. There are two main reasons for this. One is that the three sub-sectors at large still deserve support: hundreds of companies and farms have not been reached yet, the positive effects of the intervention are just going to be felt now and the project can capitalize on the best practices and lessons learned to target more POs and beneficiaries in the same sub-sectors. In other words: effectiveness, efficiency and impact can be much higher by focusing on the same sub-sectors. The other reason is that opening up new “fronts” will require considerable efforts: these efforts will not help the effects of FARMA I to “mature”, while at the same time they will take a certain time to materialize. True, the three sub-sectors chosen for FARMA I had already been targeted by previous LAMP project. And yet, that was also, possibly, one of the reasons for success. If there had not been a previous project in those same areas, maybe FARMA I would not be as successful as it was. This is one of the lessons we can get: it takes time for such an intervention to bring its fruits to ripe: it is about changing practices, adopting new techniques, using new equipment, learning new methods of production and organization, in order to be able to face the market in a competitive environment. These are things that take time, investment, resources, and enduring patience.

Complementarity with other donor interventions and plans will be essential for the next phase, so as to maximize effectiveness. Also, the leadership of the project will remain very important for the success of any new phase.

A separate and yet connected issue for the next phase is the definition of the **objectives**. In light of the discussion above and the conclusions of our findings, it is important that both Sida and USAID agree on the overarching goals of the project and the “philosophy” of its approach. Sida's and USAID's development assistance strategies for BiH do seem to coincide in their focus on supporting economic growth as a way for the country to jump on a sustainable development path. And yet, there might be room for different options and possibilities. While USAID attention would emphasize the potentials of free market developments, Sida would possibly like to affirm a coherent institutional setup, the role of policy, the importance of social cohesion in sheltering the weakest population groups from the fall-outs of market competitiveness, in line with its usual strategic approach to development assistance over the world. While FARMA I showed that the two “philosophies” are not necessarily at odds, a more nuanced approach might benefit from both in a more fruitful way: emphasizing growth by supporting the more advanced parts of BiH agri-food sector on one hand, while facilitating, supporting and helping the less advanced large core of BiH traditional agriculture, on the other. This could be achieved, possibly, also by conceiving different support mechanisms for different target farms and companies, maybe with different disbursement arrangements, e.g. one regulated by USAID grant regulations and one governed by Sida accounting practices. This approach might even be more promising in terms of sustainability and ownership, as it can entail some form of co-funding and sharing with the local institutional counterparts.

In a country like BiH with such a large base of small-size farms, where many of those are subsistence household farms, a policy oriented only to promote increased marketization is bound to create a gap between a limited number of market-suited enterprises and a large majority of ill-fated and marginalized farms, not benefiting from the economic growth. True, increases in sales, exports, loans and investment, do happen when enterprises take the necessary steps, adapt and innovate, change practices and face the market. On a one-by-one basis, projects can support companies and farms to do that, also by supporting their sub-sectors at large, by providing for technical assistance and by improving the market environment. And yet, by doing so, nothing guarantees that the benefits are going to ripple from the large more structured enterprises down to the small ones. That there could be an “imitation effect” in industrial development is all to be demonstrated. Development practices show that it is more about investing in infrastructure – transport, electricity, etc., providing diffused extension services and assistance, fostering industrial “districts” or producer organizations.

The growth in sales and exports of some selected companies and farms can have a small spill-over and ripple effect both in terms of backward and forward linkages if the project addresses those linkages. Project will need to address a large number of farms that can jump on a growth path with limited support (at the individual level) if it aims at affecting the agricultural sector at large. Putting it bluntly, this can be summarized with an extreme example: target 100 farms with 4 cows to help them get 2 more cows each, as opposed to one farm with 400 cows who is ready to have 200 more. Even if Sida and USAID agree that this intervention is not about social and living conditions, even if they agree that poverty can be alleviated by favoring economic growth, there can be different ways. BiH agricultural has many of the features that other European countries had several decades ago. Small household farms in remote areas, rural households living on a small piece of land with few animals, backward agriculture in mountain areas. By investing on the more “advanced” farms and companies that have the potential to innovate and face the market might be a way to leave completely out of the development process those numerous farms and enterprises that are simply inadequately armed to face the battle. The perspective is going to be that of a sector divided in two – a small, competitive and advanced one, on one hand, as opposed to a large, non-competitive and backward one. Besides, the social costs of leaving subsistence and small-size farms to their fate (particularly those in remote rural areas) and focusing only on structured market-oriented farms are going to be enormous.

It is for these reasons that, possibly, a FARMA II project will have a more diffuse impact if it broadens its activities by focusing on that large share of small household farms – the spill-over effects of a large, broader support are going to be necessarily higher. FARMA did reach a large number of farms, including many small ones. And yet, it seems that only the more structured ones could quickly benefit of the advantages of a new piece of equipment or a new technology or the adoption of new techniques. Adapting production practices to the safety and health standards requires

capital, skills, knowledge, and assistance. Only certain companies or farms can possibly do that.

Also, even if social conditions and poverty reduction do not enter the picture directly and are not spelled out explicitly in the project objectives, it should be agreed that benefits of a project supporting agriculture cannot be just measured in terms of “returns on investment”: social benefits as well as rural development at large are also, in the end, visible durable benefits. Not all benefits are monetary, not all benefits materialize at the same time, not all benefits accrue to individual companies or farms (a road will benefit a community, while a new stable will benefit only one farm).

An issue somehow related to project objectives of the next phase is that of gender. As we said above, the project should have involved and target more women and should have had a specific objective related to that, possibly with a progress indicator attached to it. Even if the next phase will not have specific social issues on the forefront, we believe that gender issues – and youth, for that matter – should be at the center of a development intervention targeted to agriculture, as a gender-balanced and youth-balanced approach might be the recipe for a more equitable growth.

One propelling factor seems to have been the small capital provided by **grants** and **sub-contracts**. Grants were felt as extremely helpful by many interviewees, they were very popular, something that not many international projects do. FARMA II should have a larger grant and sub-contract component with less stringent formal requirements and (maybe) smaller grant. Sida and USAID should make sure that FARMA II maximizes the building of sustainable capacity among its partner organizations and groups, taking account of project resource limitations. This approach could include identifying areas where additional funding or new donor interventions might be appropriate to overcome obstacles and improve longer-term competitiveness of the sector.

Grants approved for beneficiary investments and sub-contracts agreed with service providers appear to have been quite successful, but these components have potential to leverage even better results and medium-term impact. In FARMA I, grants have been available to applicants regardless of whether they were receiving project technical support. Grants, in a way, contributed towards PIR 2 (Access to finance increased), but they were not entirely cross-cutting in nature and therefore were not tied to achieving a wider range of project results and the overall objective. Also, grants are quite demanding in terms of human resources and time to administer. Grants could be leveraged to generate stronger results and better contributing to the project objectives. This could be done by allocating a higher percentage of funds to sub-contracts and STTA. The method for allocating grants could be that the project technical staff generate activities that directly contribute to project objectives (i.e. activities related to PIR 1 and PIR 3) and then seek out potential beneficiaries eager to access grants for investments that complement the TA they are receiving. This shift in resource allocation would leverage more technical support overall, allowing FARMA to cover a much wider number of producer organizations than can be achieved with in house

staff. This approach would be in line with future EU IPARD funding support to BiH. Similar recommendations were provided in the mid-term evaluation review.

FARMA II should target institutions that can enforce regulations and standards and help control, who can favor knowledge transfer and diffusion, like Inspectorates and AES. A more extensive support to extension services, training facilities, knowledge transfer activities will be more effective.

Objectives, strategy and even actions should be decided together with BiH institutions and partners, not just during the design phase but constantly during the implementation phase. FARMA II should certainly have EU standards and agreed development strategies by local partners as the deciding polar star for indicating the road ahead.

The project's Coordination Body – putting together representatives of institutional partners -- and Advisory Group – with the representatives of producer organization beneficiaries – should provide better inputs in the needs assessment and project planning. Both Bodies have been perceived a bit like annual talking shops, with little follow through and effect. They should both have clearly defined and enhanced written guidance roles and responsibilities, should meet MAYBE quarterly or three times a year, the findings and conclusions from the meetings should be well summarized including planned actions. The quarterly and annual reports should report on the actions and outcomes. This would certainly guarantee a greater involvement and degree of ownership by the local counterparts.

FARMA I had a strong catalytic effect on improved performance in three sub-sectors as evidenced by the substantial increases in sales revenues and export values by participating POs. For enhanced project monitoring, it would be useful for Sida and USAID if FARMA II periodically revised and updated its analyses based on disaggregated data and, where possible, comparisons were made with official statistics. Such an approach by FARMA II could be a catalyst for the national and entity statistics bodies to improve their data collection and analysis.

Annex 1 – ToR

Terms of Reference for the Evaluation of the project “Fostering Agricultural Markets” (FARMA)

Date: 01-11-2014

Case number: 76004208

1. Background

Agriculture sector is a small but important part of the BiH economy, as it still absorbs a large share of the economically active population. While the official employment in the agri-food sector amounted to only 2.7% of employment, this figure significantly underestimates the actual share of the labor force that is active in agriculture; estimates indicate that the agriculture sector accounts for as much as 20.6 % of employment in BiH.

Despite the significance of agriculture employment, BiH retains a considerable agri-food trade deficit. BiH trades agri-food products most intensively with neighboring countries, some half of its exports and imports are to/from Croatia and Serbia. With Croatia joining EU and Serbia soon to become a candidate country, trade gates for BiH products will be closed if BiH quality and food safety “infrastructure”, including its private sector, does not meet EU requirements. Croatia’s recent entry to the EU has been a serious shock for BiH agriculture sector (especially dairy), and while some short term solutions have been found and some progress made, this is still a major challenge for BiH.

Specifically, while donor assistance has been provided and some progress made to improve the legal and institutional framework in line with EU requirements in the fields of food safety and veterinary and phyto-sanitary services, BiH currently is still not allowed to export all animal products, except for fish, and honey to the EU, and also certain vegetables. The EC 2013 Progress Report stresses that considerable work remains to be done in the fields of Agriculture and Rural Development, Food Safety, Veterinary and Phyto-sanitary Policy, and Fisheries.

Regarding food safety, BiH adopted EU-like bylaws on hygiene rules for food and feed. Residue monitoring plans for honey, dairy, poultry and eggs were positively evaluated by the EC, thus allowing export of honey from BiH into the EU (our current assistance through FARMA contributed to these positive developments). For dairy, as a temporary measure, an agreement has been signed between MOFTER, the RS Ministry of Agriculture and the Federation Ministry of Agriculture, on “The Establishment of a Chain of Command Meeting EU Requirements for Exports of Milk

and Milk Products from Bosnia and Herzegovina to the EU.” However, following the January 2014 EC Food and Veterinary (FVO) inspection, BiH remains deficient in meeting these EC requirements. Regarding the PHP and phytosanitary sector, while some progress has been made in implementing legislation that is harmonized with the EU acquis (this is also related to our current assistance through FARMA), further alignment with the EU requirements and capacity building is needed.

Moreover, as noted above, increasingly it is necessary for producers to meet voluntary, private-sector standards (GLOBAL GAP and others) in order to remain competitive on domestic and international markets. Large supermarket chains and retailers often require producers to adhere to voluntary production and labeling standards, regardless whether they operate in the EU or not.

Finally, trade liberalization has also created a more competitive environment in the local markets. BiH is part of a number of bilateral and regional trade (e.g. CEFTA) agreements, exposing its local food markets to imports from the EU and other countries in the region, thus increasing the pressure on local farmers and processors to become more competitive in the local market. Local producers find it difficult to match the prices and quality of imported agricultural products. Unless agriculture producers become more competitive, local producers will lose market share both domestically and abroad.

On the positive side, BiH’s agri-food sector has a potential comparative advantage due to favorable prices for land and labor, ample labor supply as a result of low overall employment, good climate, and a strategic location for producing high-value products for domestic and European markets. BiH’s geographic location in the heart of Europe yields potential advantages in shipping and logistics costs to high-value markets in the EU.

A number of reports (EC, WB, UNDP, relevant host country strategies and updates) are all clear as far as policy/assistance recommendations are concerned. All stress that the competitiveness of commercially-oriented agricultural producers in BiH needs to be further enhanced, and that a new “future” for substance farmers must be provided through effective rural development, social programs and other policy measures. With host country commitment and assistance, BiH can move this process forward by aligning and strengthening its agriculture policies and institutions with EU requirements.

In conclusion, the fact that there is still not full compliance in the food safety, veterinary, and plant health protection (PHP) and phyto-sanitary areas with EU requirements continues to adversely affect BiH’s trade in agricultural products and EU alignment. Moreover, BiH still lacks laboratory capacity to cover the analysis in line with EU standards. In addition, existing public advisory system(s) and private BDS providers in BiH are still not providing a full range and quality of services needed to help producers increase competitiveness and productivity, or to respond to new circumstances such as changing market requirements, or food safety. [World Bank re-

search from other countries suggests that purely public advisory services can be insufficiently responsive to producer needs. Good practice recommendations are pluralistic institutional approaches that include roles for NGOs, producer organizations, and the private sector.

If agricultural producers in BiH are to take full advantage of opportunities, they need to be able to operate in an environment that is similar to that of EU farmers, otherwise they will lose out. This will require strengthening public sector institutions and regulations to align these with the EU, but also an enabling environment and services that support knowledge transfers, technological upgrading, market information and access.

The most efficient way of supporting agricultural producers is through targeting market failures that inhibit their success—this includes addressing regulatory and institutional barriers, but also weak local BDS, public and private organizations that support agricultural competitiveness. This is the proposed development approach.

It is important to highlight that there are several other EU accession priorities and agricultural policies/reforms and assistance areas that this new activity will not address, but will be addressed by other donors.

Specifically regarding agriculture and rural development policy, BiH has yet to adopt a country-wide rural development strategy and coordination, including on support measures, which remains insufficient between the two Entities. BiH has not reached an agreement on the institutional structure for utilization of the Instrument for Pre-Accession Assistance for Rural Development (IPARD), nor has BiH adopted the agricultural information strategy or the Law on the Agricultural Census. The EC recommends that BiH's agricultural statistics and the agricultural information system be improved and harmonized between the Entities. Land registration systems also need to be harmonized and land management requires strengthening. The latter has been a focus of World Bank and other bilateral donor assistance. These reforms and assistance areas will be addressed by other donors, as they have ongoing or planned projects in these areas and to some degree, have a competitive advantage over our assistance to “incentivize” reforms in these areas (for example agreement over IPARD structure and EU role to date).

2. Evaluation Purpose and Objective

Sida, as co-financier of the Project, has undertaken to perform the Evaluation of the Project in order to identify results of the current intervention and to assess possibility for further interventions in the sector of agricultural SME support.

Sweden would like to ensure that the current assistance to the FARMA is useful, efficient, sustainable, relevant, necessary and in line with the project Concept Note, Project Proposal and Project Monitoring Plan, hereinafter the PMP.

It is expected that the evaluation will:

1) evaluate the project progress against the planned activities/results according to the PMP and Result Framework (internal efficiency)

2) evaluate the Project progress against overall sector development to assess the relevance of the activities and possibility for coordinated sector-wide approach (external efficiency)

3) make recommendations and share lessons learnt that will be used for further programming for FARMA II

3. Scope and Delimitations

Title	FARMA (Fostering Agricultural Markets)
Contract number	C
Location	Bosnia and Herzegovina
Contractor	Chemonics in consortium with ORGUT (Sweden) in contractual relation with USAID
Contracting authority	USAID, Robert Frasure street, 1 71000 Sarajevo Programme Officer : Amira Ramhorts Vejzagic
Beneficiaries	
Prog. starting date	August 2009
Total Programme Budget:	66 MSEK

PROJECT SUMMARY

Overall Objective:

FARMA's objective is to achieve rapid, sustainable, and broad-based economic growth through demand driven technical assistance aimed at improving the competitiveness of BiH agricultural producers, agricultural businesses, and products, in targeted subsectors.

Project Goals

- FARMA is helping BiH accomplish several critical goals: increasing agricultural competitiveness; meeting European Union accession standards; reducing poverty by expanding environmentally sustainable production; and increasing sales, exports, and employment.

- FARMA is working to expand environmentally sustainable production, processing, domestic sales, export sales, and the production of value-added products.

Project Results

FARMA's approach focuses on four integrated components:

- Building sustainable market linkages for BiH producers;
- Increasing access to finance;
- Building the capacity of partner organizations and other counterparts; and
- Enhancing the policy environment to benefit the competitiveness of BiH agricultural goods.

DAIRY SECTOR

The primary objectives of the dairy program include: (1) improving hygiene and milk quality; (2) improving the quality and volume of on-farm forage, while reducing costs; (3) improving dairy herd genetics; (4) improving record keeping; (5) greater production of higher value products, (6) improved promotion of dairy products on the domestic and international market. Till today, Bosnia and Herzegovina has still not met all the conditions for the export of dairy products to the EU. This is noticeably impacting the dairy sector, which exports significant quantities of Ultra High Temperature processing (UHT) milk to Croatia. The visit of the EU's Food and Veterinary Office inspectors took place in January 2014. The EU inspectors checked the system of official control and found a "lack of efficient supervision and inconsistent controls" coupled with "non-robust and unreliable certification procedures." The project continued its work with producers and processors to ensure compliance with EU requirements, and to ensure production of sufficient quantities of quality milk.

MEDICINAL AND AROMATIC PLANTS (MAPS) & HONEY

The primary objectives in this sector include: (1) increasing the cultivation of medicinal and aromatic plants (MAPs); (2) moving toward higher value products; (3) bringing the MAPs and honey sector up to EU standards; and (4) improving marketing; The MAP sector is a rare sector in BiH where exports exceed imports. For instance, in 2013, exports from this sector exceeded imports by a factor of three. According to USAID/Sida FARMA and BiH FTC analysis, producers and processors from this sector exported 28.65 million KM (about US\$20.29 million) worth of products, while at the same time, imports amounted to 9.36 million KM (about US\$6.63 million). Overall, the value of export of MAPs and honey products increased by 74 percent between 2009 and the end of 2013.

Over the past few years, the focus has been on development of semi-final, or final products (high value-added) and cultivation of the medicinal and aromatic plants in order to maximize profitability and to preserve local biodiversity. For example, the value of exports of essential oils (semi-final product) rose in the period of 2009-2013 by 200 percent, exceeding the value of imports by a factor of four in 2013 alone.

Moreover a large number of rural women from throughout BiH have begun cultivation of MAPs and beekeeping, as a result of FARMA assistance. About 400 women have participated in training programs through four MAPs cultivation and beekeeping schools. Production of MAPs and honey enables them to attain both gainful work and a new source of income.

FRUIT AND VEGETABLES (F&V)

To achieve FARMA's goals, the project concentrated its activities in three areas: (1) Introducing new production technologies and standards in production and processing; (2) Introducing new berry varieties to ensure the sector gains a competitive advantage in the long run; (3) Facilitating market linkages, through participation in fairs and direct contacts with potential buyers, to help POs access higher paying markets.

The Fruit and Vegetables sector had been recovering after devastating effects of inclement weather in BiH in 2012 season. Owing to implementation of new technologies, sophisticated agricultural practices, and mild weather conditions, both yields and the quality of products improved significantly in 2013. While production of "staple" items (e.g. apples, potatoes, pears etc.) remained relatively stable, production of fresh fruits-especially berries- had increased significantly as a result of FARMA's early investments in expansion and improvement in cold chains and postharvest management. Fresh produce (especially fruits) are in high demand by the international markets, and it is no surprise that export of fresh fruits had been increasing along with production. For example, data of the BiH Foreign Trade Chamber indicate that the value of exports of fruit and vegetable crops from BiH increased 23 percent in 2013, YOY (27 percent increase since 2009). Yet, the summary data obfuscate some truly remarkable successes. For example, the analyses of the official data indicate that 35 percent of all BiH exports in the F&V sector are frozen fruits, mainly berries. Export of fresh raspberries to the EU (over BAM 1.35 million in 2013) grew by a factor of 31 in relation to 2009, while exports of fresh plums increased from BAM 1.9 million in 2009 to over BAM 9.7 million in 2013 (a more than 500 percent increase). FARMA's assistance to increase cooling capacities helped achieve these outstanding results.

EU INTEGRATION, STANDARDS AND ENVIRONMENT

The project continued intervention in three key areas: (1) improving the quality infrastructure to align with the EU acquis, improve market access and increase competitiveness of the BiH agriculture sector (2) assisting POs with implementing standards to prepare them for certification so they increase food safety standards and reach de-

sired markets; and (3) ensuring environmental compliance to satisfy the requirements of the project IEE and promoting sound environmental practices in alignment with environmental sustainability goals. Bosnia and Herzegovina has made substantial progress in overcoming constraints for the export of products of plant and animal origin to the EU by introducing EU standards in production and processing and strengthening institutional capacity in official control, certification and laboratory analysis. Fish and honey are already eligible for export, while milk and potatoes are expected to become eligible in the near future. Organically certified products by Organska Kontrola (OK) – the BiH certification body – are also fully recognized in the EU and Switzerland as a result of USAID and Sida support.

CROSS CUTTING AND DEVELOPMENT FUND – evaluator shall examine if the response of the project towards the strategic Swedish priorities has been adequate.

4. Organisation, Management and Stakeholders

The following institutions should be interviewed in Bosnia and Herzegovina:

1. State Veterinary Office
 2. Plant Health Agency
 3. Food Safety Agency
 4. Czech Development Cooperation
 5. RS Ministry of Agriculture
 6. FBiH Ministry of Agriculture
 7. BiH MOFTER Sector for Agriculture
 8. Minimum 5 producer organisations that received grants
- and others proposed by the consultant.

5. Evaluation Questions and Criteria

The evaluator is asked to address the following general questions, not limited to:

- Both the original technical proposal and subsequent work plans should be compared to annual and quarterly progress reports and the observations of the evaluation team. Assessment of project organization, management, fieldwork, significant outputs, and the quality of overall performance should be evaluated.

Factors to be considered:

- a) effectiveness;

- b) relevance;
- c) sustainability (ownership);
- d) impact (both direct and indirect);
- e) efficiency and
- f) flexibility

Specific requirements on consultant(s)

Moreover, the evaluator is asked to address the following questions, but is not limited to those listed below:

- What is the general level of satisfaction of beneficiaries with the project?
- What is the overall assessment of quality and sustainability of the project efforts?
- How the assistance provided by FARMA improved institutional capacity of the assisted institutions to analyse, lobby, support, inform, advocate, etc.
- What is the level of sustainability of the invested support to producer organisations?
- What is the impact on export of the specific FARMA assistance towards institutions?
- To what extent interaction is taking place between public sector actors and private sector actors?
- What are, if any, the gaps in FARMA approach and how these could be corrected in the possible next phase of the project?
- What recommendations do you have for Sida in design of FARMA II?

6. Conclusions, Recommendation and Lessons Learned

The contractor is expected to provide Sida with suggestions for priority activities, approach and adjustments in possible Phase 2 of the project.

7. Approach and Methodology

Evaluation tasks

The international consultant will be responsible for conducting the evaluation and will be the principal contact with Sida. He/she will also be responsible for the writing of the final assessment report with an executive summary; major findings and conclusions.

sions; a description of the evaluation methodology; and specific program recommendations.

Task 1: Desk Review

This review shall include reading all relevant background materials (the consultant should read the background documentation before arriving in BiH). Upon arrival, the evaluator will meet with Sida in order to further elaborate the ToR.

Task 2: Develop a Written Fieldwork Plan

Using the information gained from the desk review together with information provided in this ToR, the evaluator will develop a plan for conducting the fieldwork.

Task 3: Conduct a Field Evaluation

The evaluator will spend XXX weeks in-country to conduct the evaluation. Fieldwork will commence beginning on/about beginning November 2014 and end on/about end January 2015.

Task 4: Debrief Sweden Embassy-Sida

Before departing the country, the evaluator will debrief Sida on the preliminary findings and recommendations.

8. Time Schedule

Tasks to be performed	Senior expert/expert X person per day
<i>Desk review</i>	XX days
<i>Evaluation incl. field trips</i>	XX days
<i>Draft evaluation report</i>	XX days
Finalization of the report	XX days

9. Reporting and Communication

Deliverables

A. Written Fieldwork Plan as described in Task 2 due before fieldwork commences.

B. Draft Evaluation Report due within 7 calendar days following completion of fieldwork.

C. Final Evaluation Report due not more than 7 calendar days after receipt of Sida's comments on the draft evaluation report. The final evaluation report will include, at minimum, an executive summary; major findings and conclusions; a

description of the evaluation methodology; a review of FARMA key efforts and the overall impact of these efforts; and specific program recommendations. The final evaluation report will be submitted to Natasa Miskin, Programme Officer responsible for Economic Growth and Market Development in electronic format within 5 business days after receiving Sida's final written comments and/or questions. Deliverables must be in English.

10. Resources

The evaluation shall be paid from the FARMA budget, component for evaluations and monitoring.

11. Evaluation Team Qualification

Senior Expert (international) or Expert (international)

The international consultant should:

- have at least 10 years of professional work experience in evaluation processes
- possess core evaluation competencies
- have relevant educational background, qualification and training in evaluation
- have technical knowledge related to local governance
- have excellent communication and writing skills in English language
- have excellent analytical skills
- should be familiar with the Balkans region (preferably BiH)
- be sensitive to customs and act with integrity and respect in relationships with stakeholders

12. References

- Sida's Template for Evaluation Reports (found at Inside under Support).
- Sida's Template for Management Response for Evaluation (found at Inside under Support).
- FARMA related reports and other documents as agreed with Consultant

Annex 2 - List of documents

EC Delegation to BiH, *Value-chain mapping analysis*, June 2008.

NIRAS, *FARMA mid-term evaluation* report, November 2011

Sida, *Looking Back Moving Forward*, evaluation manual

Sida *Results strategy for Sweden's Cooperation with Eastern Europe, the Western Balkans and Turkey*, 2014-2020.

Annex 3 – List of interviewees

Besco Alibegovic, Assistant Minister, Federal Ministry of Agriculture (FMA), Sarajevo

Snezana Akulovic, Director Advisor, Administration for Plant Health Protection, MOFTER, Sarajevo

Enes Ališković, Director of BiH Export Promotion Agency, BiH Foreign Trade Chamber (FTC), Sarajevo

Sabahudin Avdic, Production manager, ZZ Gracanka, Gracanica

Nedim Badzak, Director, Jaffa Komerc d.o.o., Blagaj

Fedja Begovic, Head of Operations, FARMA Team, Sarajevo

Marie Bergstrom, Head of Development Cooperation, SIDA, Sarajevo

Dajra Cano, Project Manager, Žene za Žene – Women For Women International (WfW), Sarajevo

Jasenska Coric, Head of Finance, FARMA Team, Sarajevo

Maia Dosenovic, Program manager, EC Delegation to BiH, Sarajevo

Nedim Hadziomerovic, Deputy director, Milkos d.o.o., Sarajevo

Dzemil Hajric, Assistant Director (Head of Crisis Management sector), Food Safety Agency (FSA), Sarajevo

Skender Hot, Director, Insieme, Bratunac

Nermina Husic, Deputy manager, Insieme, Bratunac

Marko Ivankovic, Director, Federal Agro-Mediterranean Institute (FAMI), Mostar

Branka Janjic, Assistant to the Director and lawyer, RS Institute of Agriculture (RSIA), Banja Luka

Ljubomir Kabala, Director, State Veterinary Office, MOFTER, Sarajevo

Damir Kahrmanovic, Inspector, Federal Office for Veterinary Inspection, Sarajevo

Zoran Kovacevic, Assistant Minister of Agriculture, Ministry of Agriculture, RS, Banja Luka

Omer Kurtovic, Director, Federal Institute of Agriculture (FIA), Ilidja, Sarajevo

Merida Manojlovic, Grant manager, FARMA Team, Sarajevo

Hajrudin Mešanovic, Manager, Ledenicka dolina, Dairy farm, Gradacac

Miladin Mijatovic, Owner and manager, Smrčak, Zvornik

Zeljko Mikulic, Director, Medicom d.o.o., Grude

Natasha Miskin, Program Officer, SIDA, Sarajevo

Omer Mrakic, President, BiH Association of Cheese Processors (UPS BIH), Travnik

Salih Mujanovic, Responsible, Farmers' Association Kopice, Maglaj

Suada Mujkic, Main animator, Women Association in Kaloševici, Tešanj

Amel Mukaca, Director, Krompir, Sarajevo

Mersida Musabegović, Director, Organska Kontrola (OK), Sarajevo

Sulejmen Nahdet, Director, ZZ Tarevci, Modriča

Drago Nedic, Director, RS Veterinary Institute (RSVI), Banja Luka

Dusan Neskovic, Ssistant minister, Ministry of Foreign Trade and Economic Relations (MOFTER), Agriculture Department, Sarajevo

Milos Nozinic, Head of department for industrial plants, RS Institute of Agriculture (RSIA), Banja Luka

Sanel Omicevic, Owner and manager, Sanel OP, Odžak

Muhamed Palackic, Owner and general manager, HEKO – H&H Fruit d.o.o., Bugojno

Seida Saric, Director, Žene za Žene – Women For Women International (WfW), Sarajevo

Husejn Sinanovic, Director, ZZ Poljar, Željezno Polje

Benjamin Toric, CoP, FARMA Team, Sarajevo

Aida Zubcevic, Director, Faveda d.o.o., Sarajevo.



Evaluation of the project “Fostering Agricultural Markets Activity” (FARMA)

This report contains the findings, conclusions and recommendations from an evaluation of the project “Fostering Agricultural Markets” (FARMA). Sida, as co-financier of FARMA, commissioned SIPU to undertake this evaluation in order to identify results of the current intervention and to assess possibility for further interventions in the sector of agricultural SME support.

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