



Ex-Post Evaluation 2013 – Brief Report

Promoting Entrepreneurship in the Fruit and Vegetable Sector of Northern Bosnia and Herzegovina

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Tabular overview

The evaluation mission

Evaluation period	July 2013 to February 2014
Evaluating institute / consulting firm	AFC Consultants International GmbH/ GOPA Consultants GmbH
Evaluation team	Rolf Speit, international consultant Vesna Mrdalj, national consultant

The development measure

Title according to the offer	Promoting Entrepreneurship in the Fruit and Vegetable Sector of Northern Bosnia and Herzegovina
Number	50.3062.2, 53.3000.6, 53.3083.2, 55.3001.9, 57.3017.1
Overall term broken down by phases	Phase 1: 09/2000-12/2002 Phase 2: 01/2003-12/2004 Phase 3: 01/2005-12/2006, extended till 02/2007 Phase 4: 03/2007-02/2009 Youth component 07/2003-12/2007.
Total costs	CHF 9,720,282 / EUR 6,279,110
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	The fruit and vegetable production is improved in terms of range and quality and it is systematically marketed.
Funding agency	Swiss Agency for Development and Cooperation (SDC)
Implementing agency	German Technical Cooperation - International Services.
Lead executing agency	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina and Ministry of Agriculture of the entities Republika Srpska and Federation of Bosnia and Herzegovina
Target groups as per the offer	Private Fruit and Vegetable producers in Northern Bosnia, young people in the age of 15-25 in three communities in Northern Bosnia

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	Level 3, satisfactory results, it is dominated by positive results
Individual rating	Relevance: 2; Effectiveness: 2; Impact: 3; Efficiency: 4, Sustainability: 2

The object of the independent ex-post evaluation was the project „**Promoting Entrepreneurship in the Fruit and Vegetable Sector of Northern Bosnia and Herzegovina**”, which was commissioned by the Swiss Agency for Development and Cooperation (SDC) and implemented by the German Technical Cooperation – International Services (GTZ-IS) (since 2011 GIZ-IS). The evaluation was carried out by Rolf Speit (international consultant) and Vesna Mrdalj (national consultant) of the consortium AFC Consultants International GmbH/GOPA Consultants GmbH from July 2013 to February 2014 on behalf of the GIZ Monitoring and Evaluation Unit. The field mission in Bosnia and Herzegovina (BiH) was carried out from 10th to 28th November 2013. A mix of various data sources and methods was chosen, including a documents review, key informant interviews with experts and agricultural producers, as well as the analysis of secondary statistical data.

For nearly two decades, BiH has faced a dual transformation process: firstly the shift from a centrally planned economy to a more market-oriented economic model, and secondly, the reconstruction of the country after the 1992-95 war that destroyed many parts of the country. With the Dayton agreement in 1995, BiH was divided into the entity Federation of BiH (FBiH), the entity Republika Srpska (RS) and the district of Brcko. The entities have broad legislative and executive rights. Among other things, they are responsible for agricultural policy. Overall, the administrative structures are fragmented and inefficient. The proportion of rural population within the total population is very high (61%). The rural communities are characterised by a high unemployment rate. The income per capita in rural areas is only half of that in urban areas. The share of agriculture in the gross domestic product (GDP) decreased from 7.87 % (2000) to 6.45 % (2009) and consecutively to 4.15 % (2012). The cultivation of fruit and vegetables has a long tradition in the Northern Bosnia and the area offers good eco-climatic conditions. Its cultivation is attractive for smallholder producers because of the comparatively high incomes per hectare to be generated. The starting point of the project was the 2000 SDC strategy, which provided for a change from humanitarian assistance to supporting longer-term development processes.

The project began in September 2000 and continued over four phases until February 2009 (9 years, 2 months). The component “Program Promotion of Youth” with its own concept and budget was part of the project. This component ran from July 2003 until December 2007. The core areas of the main project were Gradača in the canton Tuzla (FBiH) and the area around Banja Luka (RS). The youth component was only active in the area of Gradača. Target groups were private fruit and vegetable producers, as well as young people aged 15 to 25. Many of them were refugees who returned after the end of the war.

As part of the concept, the intended direct result of the component cultivation of fruit and vegetables can be summarised as follows: With the supply of high quality plant material and tree nursery material, the establishment of a private extension system, access to financing and support for training and equipment, producers are put into the position to increase their productivity and align the quality of their produce to market demand. Integrated production methods (IP) for fruit and vegetables find their way into the extension system and are disseminated. Thereby, producers increase their productivity and products contain fewer residues of pesticides. The establishment of *Producer Marketing Groups* (PMG) in Gradača and Krajina strengthens the marketing capacities of the producers. Women groups in the area of Gradača

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benefit from the marketing structure of the PMG and make use of it. Overall, the interventions of the project lead to a sustainable increase of production and sales quantity of high-quality fruit and vegetable production (project objective of the main component). Consequently, the supply with fruit and vegetables for consumers is improved leading to a higher level of income for agricultural producers. On top, this contributes to poverty reduction in rural areas. Furthermore, women strengthen their social position through integration into the market economy (indirect results).

Concerning the youth component, the intended direct results are to revive the social life in the villages in the project area and to create income opportunities for young people. Local organisations are enabled to organise social and cultural events regardless, making living conditions more attractive for young people (objective of the youth component), thereby mitigating out-migration of young people (indirect result).

The consultants found the concept to be sound. The cause-effect hypotheses are clearly formulated and logically linked. However, the expected level of change was partly too ambitious given that some of the intended results represented innovations for BiH. The concept was still realistic, however, due to the relevance of the innovations and a long implementation period. Likewise, the youth component was conclusively designed, in particular because it combined measures for social revival with income creation. The shift of emphasis of the concept from the micro-level (Phase 1) to the meso-level (from Phase 2 onwards) was positive since it marked an orientation towards creating sustainable structures. The indicators did not correspond entirely with usual quality standards and had to be adjusted for the purpose of this evaluation. The project's monitoring system comprised only information on project outputs and a portion of the direct results, but did not include information on indirect effects. The concept of the project was in accordance with "GIZ's Guiding principle for sustainable development" and therefore highly process- and value-oriented. The project was only holistic to a limited extent, since it did not operate at the macro level.

The implementation phase corresponded substantially with the intended concept, and it was relevant in achieving objectives and corresponding with good practices. It put the concept of creating sustainable structures into practice to a large extent. Cross-cutting topics, such as environment and youth, also attracted a great deal of attention. The topic of gender equality was mainly treated by supporting women groups, which corresponded with the social and cultural realities. Weaknesses were mainly found in the implementation of loans. But subsidies were always correctly linked with capacity-building activities, such as training and consulting.

The evaluation of the project is based on the OECD-DAC evaluation criteria. The evaluation of the five criteria relevance, effectiveness, impact, efficiency and sustainability is as follows:

Relevance: The project was consistent with the needs of the producers, as well as the needs of young people in the area of Gradačac. In addition, it was in accordance with a substantial component of SDC's medium-term country programmes for BiH, as well as with the objectives of the agricultural policy of both entities and the canton of Tuzla. The Poverty Reduction Strategy of BiH emphasised the growth potential of cultivation of fruit and vegetables. The reputation of the project is excellent even today. In the country

programmes of the SDC, job creation was intended. However, it was not an objective of this project. Furthermore, the mentioned measures of the country programme at the macro-level did not target the cultivation of fruit and vegetables. The **relevance** of the project is therefore rated **level 2, good result, no significant deficiencies**.

Effectiveness: The project has contributed to the increase of the production of fruit and - to a lesser extent - vegetables in Gradačac and Banja Luka. The two sponsored PMGs are established. The spread of farming methods by IP-standards was only managed in Laktasi in the area of Banja Luka. The extension group in Laktasi reached the targeted numbers of paying members, while the council in Gradačac did not reach the target. The women groups, which were supported by the project, were able to increase their revenues, but nevertheless they did not quite reach the target level of the indicator. The youth component has successfully increased the cultural and social attractiveness of Gradačac. The effectiveness of measures to promote employment of young people could not be assessed, however, because of a lack of information. Overall, the consultants assessed the **effectiveness** of the project with **level 2, good result, no significant deficiencies**.

Impact: The project has contributed to the improvement of the supply of consumers with fruits and to a lesser extent also with vegetables through the expansion of production. The gross revenue of the members of the PMG supported by the project has increased, which has probably had an impact on the income too. The supported women groups attained additional incomes, but the amount was limited. The project gave women the possibilities to assume a more active role within the community. An emigration of young people from the area of Gradačac did not happen to a significant extent, which the project's measures for reviving the social and cultural life contributed to. Broad impact, however, was limited within the component of cultivation of fruit and vegetables, since the project only reached about 1,000 farmers. In contrast, the coverage of the youth component was higher, reaching 3,300 people. Horizontal and vertical diffusion are not yet visible. The impact is thus rated **level 3, satisfactory results, it is dominated by the positive results**.

Efficiency: Service delivery in the project areas reflects the challenges of a country in dual transformation. The production efficiency is assessed as adequate, while the allocation efficiency is classified as unsatisfactory measured by the expenditure per capita of the direct beneficiaries. Allocation efficiency of the youth component was probably slightly higher than the one of the main component. The Steering Committee was successful in linking the projects' stakeholders. The project worked well with a limited number of other projects and NGOs. However, existing potential for cooperation has not been utilised in all cases. Due to the limited allocation efficiency, the efficiency of the project is assessed **level 4, unsatisfactory, negative results dominate despite of identifiable positive results**.

Sustainability: The expansion of acreage, production and the increase of gross proceeds of the interviewed producers were found to be sustainable. Producers who received IP-support by the project continue to follow these guidelines. The PMG in Gradačac is established, as well as the extension group of Laktasi. The PMG Krajina, however, is close to failing because of mismanagement. The extension group of Gradačac does not exist anymore and has been transferred into the PMG Gradačac. The Ex-Post Evaluation 2103: Promoting Entrepreneurship in the Fruit and Vegetable Sector of Northern Bosnia and Herzegovina

network of women groups has been very successfully developed further in recent years. The youth organisation KULT still exists and continues to organise the events that were invented during the project. The project has achieved impact in the four dimensions of sustainability (economic, political, social, and ecological). Nevertheless, the range, in respect to the covered areas and number of beneficiaries, was limited. Altogether, the evaluators rate the sustainability **as level 2, which means the developmental effectiveness of the project (positive to date) is overall positive.**

On the basis of the assessment of relevance, sustainability and effectiveness with level 2, of impact with level 3 and efficiency with level 4 the project is given an overall rating of **level 3, satisfactory results, it is dominated by positive results.**

Based on their analysis, the evaluators provide the following recommendations addressed to GIZ-IS that can serve as a basis for the dialogue with SDC, and other commissioning parties. Also, there is a recommendation addressed to the Monitoring & Evaluation Unit of the GIZ.

- The consultants propose to disseminate the experiences with the PMG Gradačac, the extension group of Laktasi, the network of women groups in Gradačac and the youth organisation KULT as good practice-examples for promoting sustainability.
- Similar projects in the future should analyse the frameworks required for the continued existence of results at micro- and meso-level systematically during strategic planning.
- Projects should be flexible to adapt their gender strategy, as in this case, to the social and cultural conditions of each context.
- With regard to the introduction of innovative agricultural cultivation methods, there should be further institutional conditions for the distribution, as in this case, in which laboratory capacity for the implementation of residue controls and credible certification systems were available.
- Agricultural projects should entirely refrain from the establishment of loan funds and instead either pay subsidies for production inputs and equipment or use the services of specialised micro-finance institutions.
- Transparent and participatory consultation bodies, such as the Steering Committee should be set up in all projects.
- The consultants recommend to the M&E Unit of GIZ to simplify the guidelines for results-based monitoring and to distribute examples of projects, which have introduced meaningful M&E systems at low costs.

Appendix 1: target/actual comparison

Appendix 1: Target/actual comparison of the project: Promoting Entrepreneurship in the Fruit and Vegetable Sector of Northern Bosnia and Herzegovina, main component cultivation of fruit and vegetables				
Project objective 1: production and distribution of high quality local/regional production of fruit and vegetables have increased sustainably				
Indicator 1:	Indicator 2:	Indicator 3:	Indicator 4:	Indicator 5:
<p>Producers in the project areas increase their production of fruit and vegetables of the supported crops from the index value of 100 in the year 2000 to 130 in the year of 2009. The index value is formed from the production figures of the most important crops in the period of 2000 until 2009. They should include data of the regions of Banja Luka, Tuzla and from the PMGs Krajina and Gradačac if possible.</p>	<p>By February 2009, the profit and loss account (P&L) of the PMGs Krajina and Gradačac are showing profit.</p> <p><i>Comment: The P&L also includes the calculation of depreciation</i></p>	<p>The women groups supported by the project increase their annual revenue with the production of jam and necklaces out of okra from 0 BAM (2000) up to 100,000 BAM (2009)</p>	<p>Until February 2009 at least 5% of the producers in the project areas cultivate with the standard set by the Integrated Production (IP).</p> <p>Output value 2000: 0%</p>	<p>The number of paying clients (producers) of the privately organized advisory council increases in the two entities at least by 150 until February 2009.</p> <p>Output value 2003:0.</p>
<p>Results:</p> <ul style="list-style-type: none"> - Vegetable index, area Banja Luka 2009: 290 - Fruit index, area Banja Luka 2009: 148 - Vegetable index, canton Tuzla 2009: 112 - Fruit index, canton Tuzla 2009: 304 - Vegetable index, producer PMG Krajina 2009: 104 - Fruit index, producer PMG Krajina 2009: 150 - Vegetable index, producer PMG Gradačac 2009: 265 - Fruit index, producer PMG Gradačac 2009: 587 <p>Overall, the objective value has been reached 6 times and it has not been reached twice.</p> <p><i>Sources: Statistical agencies of the RS and FBiH; own surveys as part of the evaluation</i></p>	<p>Results:</p> <ul style="list-style-type: none"> - For 2009, the PMG Gradačac reports a profit of 1,621 BAM. The depreciation amounted 84,181 BAM - In a project report a statement is made that the PMG Krajina makes profit since 2007 <p><i>Sources: P&L calculation of the PMG Gradačac and GTZ 2009a: 45.</i></p>	<p>Results:</p> <ul style="list-style-type: none"> - The turnover from the sale of jam reached the amount of 159.740 BAM in 2004, in 2008 only about 10,000 BAM - The turnover from the sale of necklaces out of okra increased continuously from around 10.000 BAM (2003) to nearly 74.000 BAM (2009). <p>In 2009, the turnover of both products was 84,000 BAM.</p> <p><i>Sources: GTZ 2009b: 63ff. and statistical data from the project.</i></p>	<p>Results:</p> <ul style="list-style-type: none"> - In 2008, the advisory council in Laktasi (area of Banja Luka) consulted 150 members according to the IP guidelines. Overall in 2009, there were 2,085 agricultural farms in the district Laktasi. Thus, 7.1% cultivated with IP. - The advisory council of Gradačac had 105 members in 2008. Overall, there were 4,600 agricultural farms in Gradačac in 2009. Thus 2.3% cultivated with IP. <p><i>Sources: GTZ 2009a and b; Register of agricultural farms R, community Gradačac</i></p>	<p>Results:</p> <ul style="list-style-type: none"> - Advisory council Laktasi: 150 members in 2008 - Advisory council Gradačac: 105 members in 2008 <p><i>Sources: GTZ 2009a: 60f. and GTZ 2009b: 16ff.</i></p>
Indicator is partly fulfilled	Indicator is fulfilled	Indicator is partly fulfilled	Indicator is partly fulfilled	Indicator is partly fulfilled

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Component “Program Promotion of Youth”	
Project objective 2: The living conditions of the youth in rural areas is more attractive	
Indicator 1: At least 200 young people who have participated in the agricultural training of the project, they find income and employment in the sector of agriculture until February 2009.	Indicator 2: Since 2006 the co-initiated youth clubs of the project offer regular cultural activities in the area of Gradačac, and by the end of 2008, at least 5,000 young people have participated.
Results: No figures.	Results: Since 2006, a total of 15 different events in different places in the area of Gradačac have been conducted with over 8,800 participants. <i>Sources: GTZ2009a: 75 and Int. 31 and 32</i>
Indicator cannot be measured	Indicator is fulfilled

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