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**EXPANDING USAID'S NETWORK OF
DEVELOPMENT PARTNERS THROUGH
DEVELOPMENT GRANTS PROGRAM (DGP):**

**PERFORMANCE EVALUATION OF THE 2010–2013
USAID DGP IN BOSNIA AND HERZEGOVINA**

NOVEMBER 2017, FINAL REPORT

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MONITORING AND EVALUATION SUPPORT ACTIVITY (MEASURE-BiH)

EXPANDING USAID'S NETWORK OF DEVELOPMENT
PARTNERS THROUGH DEVELOPMENT GRANTS PROGRAM
(DGP):

PERFORMANCE EVALUATION OF THE 2010–2013 USAID DGP
IN BOSNIA AND HERZEGOVINA

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ABSTRACT

This evaluation is commissioned by the U.S. Agency for International Development in Bosnia and Herzegovina (USAID/BiH), in line with USAID's Evaluation Policy, to examine the 2010-2013 USAID/BiH Development Grants Program (DGP). The DGP's goal was to expand USAID's local NGO (LNGO) network of development partners and to provide capacity-building assistance to the new partners through supporting their initiatives. This performance evaluation answers six questions. The first three evaluation questions examine the nature of the USAID/BiH Mission's outreach and relationships with LNGOs in BiH and its post-DGP ability to directly partner with LNGOs in BiH. The remaining three questions examine how the work of the implementing LNGOs' sub-grantees was perceived and valued by end beneficiaries, whether the LNGOs' capacities changed as a result of their partnership with USAID, and whether they sustained their development efforts. The evaluation team employed a mixed-method approach. To address the evaluation questions, the evaluation team reviewed over 100 program implementation documents and databases and spoke with 143 interviewees. Our evaluation finds that DGP increased partnership opportunities for LNGOs and USAID/BiH Mission's ability to partner with non-traditional partners in the economic growth sector. However, further enlargement of direct partnering with LNGOs in the economic growth sector requires more funding opportunities for LNGOs' economic development initiatives and changes to the present approach of the Economic Development Office (EDO). The EDO's current activities are usually complex and large in terms of budget and scope and focus on achieving system level impacts rather than on increasing implementers' capacity. The DGP increased the implementing LNGOs' capacities to better meet their beneficiaries' needs, and the total number of end beneficiaries reached was substantial. Nevertheless, the achievements of the implemented activities were limited to the output level results. The weakest element of the Program was sustainability of the development efforts - several organizations sustained their development efforts, but with significantly reduced scopes of work, or in sectors different than those supported by the DGP awards. The main evaluation recommendations for USAID/BiH's considerations (based on lessons learned from DGP and under the assumption that USAID/BiH chooses to continue expanding the LNGOs' network of development partners and providing capacity-building assistance to the new partners through supporting their initiatives in the economic growth sector) include: i) increasing funding opportunities for LNGOs' economic development initiatives regardless of the funding source (USAID/BiH Mission's country budget in the economic development sector has so far not been used for LNGO prime awards); ii) matching funding levels for LNGOs to the level of their present absorption capacity and including implementers' program management and absorption capacity building in funded interventions' objectives, through gradual increase of amounts of awards to local prime NGO implementers as absorption capacity is built; iii) augmenting EDO's resources/resource division to ensure adequate resources to manage multiple awards to local prime NGO implementers and building of their capacities; iv) improving pre-award assessment tools and processes to focus more on technical and programmatic capacities of potential implementers in addition to financial and administrative capacities; and v) improving the awards' risk management system.

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Guided by the U.S. Agency for International Development (USAID) Evaluation Policy, USAID/BiH commissioned IMPAQ International through the USAID/BiH Monitoring and Evaluation (M&E) Support Activity (MEASURE-BiH) to design and conduct a performance evaluation of the 2010-2013 USAID/BiH Development Grants Program in Bosnia and Herzegovina. Aiming to build local organizational capacity in rigorous performance evaluation in BiH, MEASURE-BiH procured a local research organization to conduct this evaluation. The subcontract was awarded to Center for Development Evaluation and Social Science Research (CDESS) from Sarajevo.

The Evaluation Team members who worked on this evaluation and prepared this report include Davorin Pavelic (Team Leader) and Jasmina Mangafic (Evaluation Team Member), who are both also MEASURE-BiH Research Fellows. Nermin Oruc, CDESS Director and MEASURE-BiH Research Fellow, actively contributed to the evaluation report in the capacity of Project Coordinator and, with the CDESS team, provided logistical support, such as preparing transcripts of interviews from audio recordings.

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ACRONYMS

AOR	Agreement Officer Representative
BiH	Bosnia and Herzegovina
COR	Contracting Officer Representative
CRP	Center for Development and Support
DEMO	Democracy and Governance Office
DGP	Development Grants Program
EDO	Economic Development Office
FBiH	Federation of Bosnia and Herzegovina
GAP	Good Agricultural Practice Standards
IPM	Integrated Pest Management
IPV	Integralna proizvodnja voca (Fruit Growers' Association)
KI	Key Informant
KII	Key Informant Interview
LAMP	Linking Agricultural Markets to Producers activity
LNGO	Local Non-Government Organization
MCF MI-BOSPO	Microcredit Foundation MI-BOSPO
MCF PARTNER	Microcredit Foundation MI-BOSPO
M&E	Monitoring and Evaluation
MEASURE-BIH	USAID/BiH Monitoring and Evaluation Support Activity
NGO	Non-Government Organization
PHS	Pellet Heating System
RS	Republika Srpska
RFA	Request for Applications
SC	Solar Collector
SOW	Statement of Work
WBN	Women's Business Network
USAID	US Agency for International Development
USAID/BiH	US Agency for International Development in Bosnia and Herzegovina
USG	US Government

EXECUTIVE SUMMARY

The purpose of the 2010–2013 USAID/BiH Development Grants Program (DGP) was to expand USAID’s NGO network of development partners and provide capacity-building assistance to new partners through supporting initiatives and mechanisms, enabling a wider range of partners to better meet their beneficiaries’ needs and contribute to development outcomes. This increased capacity of local NGOs (LNGOs) was envisaged to benefit their organizational and programmatic sustainability, while the DGP awards would support USAID’s objective of increasing partnership opportunities for LNGOs.

EVALUATION PURPOSE AND QUESTIONS

The purpose of this performance evaluation was to examine past and current relationships between the USAID Mission and the six LNGOs (and LNGOs in general) and the results of the capacity-building part of the DGP - the extent to which the DGP increased the technical and organizational capacities of grantees and improved their sustainability and flexibility, enabling them to respond rapidly to the evolving needs of their beneficiaries.

The evaluation answers the following six questions:

1. What was the nature of the Mission’s outreach to LNGOs? Had the Mission worked with the implementing LNGOs prior to these 2010–2013 DGP awards, and, if so, what was the nature of that work?
2. What is the Mission’s current relationship, if any, with the LNGOs that implemented these DGP awards?
3. What impact, if any, did these DGP awards have on the Mission’s ability to partner directly with non-traditional partners in BiH?
4. How was the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards perceived and valued by beneficiaries?
5. To what extent has their partnership with USAID strengthened or otherwise changed the capacity of these six LNGOs? Are these former DGP grantees sustaining their development efforts, and, if so, how?
6. What, if any, challenges have the implementing LNGOs faced in meeting USAID program requirements, and what are the key lessons learned for any potential similar future initiatives in BiH or globally?

EVALUATION METHODS AND LIMITATIONS

The Evaluation Team used a mixed-method approach based on a desk review of the implementation documents and databases received from USAID/BiH, additional documents collected from LNGOs, and semi-structured interviews with 143 Key Informants (KIs).

The different sources and methods of data collection created a basis for data triangulation and for the consideration of each evaluation question from varied perspectives.

The limitations of this evaluation relate to selection bias, response bias, recall bias, socially desirable responses, and the inadequacy of the end beneficiary databases provided by the six LNGO grantees (due to the unavailability of email addresses for end beneficiaries, the Evaluation Team was not able to conduct the online survey as initially planned).



FINDINGS AND CONCLUSIONS

The 2010–2013 Development Grants Program significantly increased the USAID/BiH Mission’s ability to partner with non-traditional partners in the economic growth sector. Before the DGP awards, the USAID/BiH Mission’s Economic Development Office (EDO) worked with only one local prime implementing partner. EDO is typically oriented toward traditional USAID partners because the scale of intervention and funds allocated to interventions are considered to be beyond the management and absorption capacities of BiH LNGOs. The 2010-2013 DGP was a challenging program that tested some innovative development approaches, often involving multiple sectors and objectives. EDO helped the implementing LNGOs build their capacities and gave them considerable leeway to adjust the implementation of their activities, which required EDO and implementing LNGOs to invest substantial and valuable effort in working toward ambitious program objectives and addressing the numerous challenges arising throughout the duration of the activities. Potential continued cooperation with LNGOs as local prime implementing partners in the economic growth sector would require changing the present settings of EDO’s operational framework (organization of work, staffing, procedures, and funding) and balancing the strategic objective of achievement of system level impacts in the economic sector with the objective of capacity development of local implementing organizations.

Four of the six LNGOs achieved all the output level targeted indicator values, but overall development effects were rather modest at the higher level of outcome results. The number of end beneficiaries in some DGP activities was impressive, but limited funds spread these activities thinly. The sustainability of development efforts was influenced by many factors, including: a lack of BiH governments’ support; legal restrictions or changes to the legal and regulatory framework; weak financial positions; issues with business models; and inadequate technical expertise.

Regarding lack of governments’ support for DGP activities, CRP’s activity failed to assist 10,000 farmers due to the absence of government drought adaptation support measures. MOZAIK’s activity and operations were delayed and business model jeopardized because of issues with sourcing land from local governments and acquiring their support for public infrastructure improvement. FRUIT GROWERS’ ASSOCIATION did not achieve expected results due to the absence of RS government support for the construction of a storage and cooling facility.

Regarding legal restrictions, NESTO VISE had to give up a critical element of its concept due to a regulatory ban on the provision of advisory services to individual agricultural producers. MI-BOSPO’s activities were not sustained due to the incompatibility of the implemented activities (non-financial services) and MI-BOSPO’s legal status.

The FRUIT GROWERS’ ASSOCIATION was in a difficult financial position and owed about 450,000 BAM to producers before DGP award. In the MI-BOSPO’s case, funds received under the DGP award had a negative impact on MI-BOSPO’s financial indicators and triggered the intervention of the Banking Agency.

MOZAIK, MCF PARTNER and FRUIT GROWERS’ ASSOCIATION started production of new products and placed these products without a well-defined business model (i.e. how to organize business and production, how to sell the product, and how to profit from sales).

MOZAIK, MCF PARTNER and NESTO VISE had no pre-DGP experience and technical expertise in the sectors within which they implemented activities that received DGP awards.

Most organizations sustained their development efforts, but often in different sectors than those supported under the DGP awards and/or with reduced scope.

MAIN RECOMMENDATIONS

This report provides several recommendations for USAID/BiH's considerations based on lessons learned from DGP and under the assumption that USAID/BiH chooses to continue work on expanding the LNGO network of development partners and provide capacity-building assistance to the new partners through supporting their initiatives in the economic growth sector. To transfer more activities to local prime implementing partners, EDO's resources should be augmented and some interventions implemented by local prime implementing partners. This transferring would further increase the network of USAID/BiH partners and utilize LNGOs' knowledge of local context and connections to end beneficiaries, which can contribute to interventions' effectiveness. Moreover, expanding the network would build capacity of LNGOs in the economic sector so that they can, after USAID/BiH's funding, provide services to their beneficiaries in the real sector. Potential future interventions implemented by LNGOs should be scaled down in terms of geographical coverage, funds allocated, and expected results to reflect DGP awards. To increase the likelihood of success of interventions implemented by local prime implementing partners in the economic growth sector, a new pre-award assessment tool should be introduced. This tool should enable a more comprehensive overview of local organizations' proposals, technical capacities (as opposed to focusing only on organizational capacities) and financial positions. Risk management should be improved, and AOR/COR involvement should be frequent and substantive throughout implementation (similar to AOR's involvement in some of the DGP activities). If possible, procedures involving modifications to assistance should be more flexible and less time-consuming to improve reaction time to events that might negatively affect interventions. The Mission will need to more rigorously enforce its monitoring and evaluation requirements to identify potential issues as they occur during implementation and define and implement corrective measures in an informed and timely manner.



I. EVALUATION PURPOSE AND EVALUATION QUESTIONS

I.1. EVALUATION PURPOSE

Guided by the US Agency for International Development (USAID) Evaluation Policy, USAID/BiH commissioned IMPAQ International, through the USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH), to design and conduct a performance evaluation of the 2010–2013 USAID/BiH Development Grants Program.

The purpose of this performance evaluation was to examine past and current relationships between the USAID Mission and the six LNGOs (and LNGOs in general) and the results of the capacity-building part of the DGP: the extent to which the program increased the technical and organizational capacities of grantees and improved their sustainability and flexibility, thus enabling them to respond rapidly to the evolving needs of their beneficiaries

The evaluation examines how the work of the implementing LNGOs' grantees was perceived and valued by end beneficiaries, whether the LNGOs capacities changed because of their partnership with USAID, and whether they sustained their development efforts.

The performance evaluation of the DGP provides analysis, conclusions, and recommendations on the nature of the USAID/BiH Mission's outreach and relationships with LNGOs in BiH, and examines its post-DGP ability to directly partner with non-traditional partners in BiH. The evaluation outlines lessons learned and practical, action-oriented recommendations for designing and implementing potential similar future initiatives.

The evaluation was carried out in four phases: (i) preparatory phase; (ii) field data collection phase; (iii) data processing and analysis and report drafting; and (iv) report finalization and presentation.

The findings, conclusions, and recommendations of the 2010–2013 USAID/BiH Development Grants Program performance evaluation will contribute to the knowledge and education of several groups of stakeholders:

1. USAID/BiH can reassess the role of the 2010–2013 USAID/BiH Development Grants Program in strengthening the USAID/BiH Mission's post-DGP ability to partner with non-traditional partners in BiH.
2. USAID/BiH staff can achieve a better understanding of activity implementation, lessons learned, and best practices, which will inform any potential future funding decisions and program designs in this area.
3. Implementing partners can discover their strengths and areas for improvement.
4. Other USG stakeholders (including USAID/DGP Washington and the U.S. Embassy in BiH) can better understand USAID-funded economic development interventions in BiH.
5. Other stakeholders, including the governing institutions of BiH, may also benefit from USAID's contribution to public knowledge on the most recent economic developments in BiH.

The implementation of activities funded under the 2010–2013 USAID/BiH Development Grants Program began in September 2010 and lasted until September 2016. This evaluation covers the implementation period between September 2013 and September 2016.

The Evaluation Team conducted this evaluation between June and September 2017. Key informant interviews (KIs) were conducted between July 15 and August 18. The evaluation team traveled to 18 municipalities across BiH (Banja Luka, Laktasi, Gradiska, Prnjavor, Doboje, Maglaj, Zepce, Zivinice, Gradacac, Gracanica, Tuzla, Kalesija, Brcko, Lopare, Sekovici, Zenica, Breza, and Mostar). The team also held telephone interviews with key informants from Stolac, Capljina, Trebinje Livno, Novi Grad, Berkovici Capljina, Jablanica, Bjeljina, and Modrica.

Annex I provides the Evaluation Work Plan.

I.2. EVALUATION QUESTIONS

This evaluation addresses six questions:

1. What was the nature of the Mission's outreach to LNGOs? Had the Mission worked with the implementing LNGOs prior to these 2010–2013 DGP awards, and, if so, what was the nature of that work?
2. What is the Mission's current relationship, if any, with the LNGOs that implemented these DGP awards?
3. What impact, if any, did these DGP awards have on the Mission's ability to partner directly with non-traditional partners in BiH?
4. How was the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards perceived and valued by beneficiaries?
5. To what extent has the partnership with USAID strengthened or otherwise changed the capacity of these six LNGOs? Are these former DGP grantees sustaining their development efforts, and, if so, how?
6. What, if any, challenges have the implementing LNGOs faced in meeting USAID program requirements, and what are the key lessons learned for any potential similar future initiatives in BiH or globally?

To address Evaluation Question 1 (which relates to the nature of the USAID/BiH Mission's outreach to LNGOs prior to 2010 and the nature of its relationships with the six LNGOs awarded the USAID DGP grants), the Evaluation Team conducted a desk review of databases received from the USAID/BiH Mission.

By combining databases received from the USAID/BiH Mission, the Evaluation Team prepared a database of the LNGOs that cooperated with the Mission and performed an in-depth analysis of the nature of the USAID/BiH Mission's outreach to LNGOs in BiH prior to 2010. This review also examines whether the Mission worked with implementing LNGOs prior to the 2010–2013 DGP awards, and the nature of that cooperation.

The Evaluation Team used the same approach to data collection, analysis, and interpretation to address Evaluation Question 2. The answer shed light on the reasons for and nature of the cessation or continuation of cooperation between the USAID BiH Mission and the six LNGO grantees.

To answer Evaluation Question 3, the Evaluation Team used the findings from Evaluation Question 1 and compared them with findings related to the USAID/BiH Mission's post-DGP portfolio and present ability to directly partner with non-traditional partners in BiH. The Evaluation Team compiled a list of the Mission's partners prior to 2010, a list of its partners immediately after the DGP's completion, and a list of its current partners.

To determine the influence of the DGP awards, the Evaluation Team constructed and calculated two indicators:

- The difference in the number of the Mission’s “non-traditional partners” pre- and post-implementation of the 2010–2013 Development Grants Program
- The difference in the amount of funding that the USAID/BiH Mission disbursed through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program

These quantitative indicators were complemented with qualitative data obtained through the KIIs.

To address Evaluation Question 4, the Evaluation Team analyzed data obtained through on-site visits, direct interviews, and phone interviews with a selected number of end beneficiaries and other key informants. The Evaluation Team interviewed 106 randomly selected direct beneficiaries.

In addressing Evaluation Question 5, the Evaluation Team used a combination of different approaches to examine changes to the capacities of the six LNGOs. The organizational capacity of the six LNGO grantees was defined as the capability to perform as the DGP specified and expected.

Assessment of the six LNGO grantees’ capacities started with analyzing information gathered through KIIs and relating to their project proposals. These sources, as well as information obtained through the review of available documents (pre-award surveys, etc.), were used as baseline data for assessment of the pre-award capacities of the six LNGOs. Other sources of information on the organizational capacities of the six LNGO grantees were: semi-structured interviews with their management teams; semi-structured interviews with their end beneficiaries and key informants from the USAID/BiH Mission; a mini questionnaire given to key USAID/BiH Mission staff; and semi-structured interviews with selected non-beneficiary LNGOs.

While addressing Evaluation Question 6, the Evaluation Team examined and identified good practices achieved during program implementation, as well as the challenges that the six LNGO grantees faced in meeting USAID program requirements during the implementation phase. The good practices and implementation challenges identified are presented as key lessons learned, which could serve as a solid foundation for the design and implementation of potential similar future initiatives in BiH or globally.

2. THE BACKGROUND OF THE 2010–2013 USAID/BIH DGP

The Development Grants Program (DGP) is a competitive small grants program, established in 2008 by Section 674 of the US Consolidated Appropriations Act of 2008, which provides targeted support to US Private Voluntary Organizations (PVOs) and local non-government organizations (NGOs) with limited or no experience in managing direct USAID grants. The DGP, managed centrally through USAID headquarters in Washington, DC, was designed to expand the number of direct partnerships USAID has with US PVOs and indigenous, local NGOs and to build the capacity of these organizations to better meet the needs of their constituents. The DGP provides an opportunity for US PVOs and local NGOs to contribute to USAID's objectives in addressing the development challenges of local communities through strengthening civil society organizations. Successful PVO/NGO applicants receive awards of up to \$2 million to implement activities in the field over a period of up to 5 years. Awards include a capacity development component, providing awardees with access to resources for technical assistance and/or organizational strengthening.

The Request for Applications (RFA)¹ for DGP-2, which combined funds for 2 fiscal years (FY09/10), was announced on www.grants.gov on March 14, 2010.

The Development Grants Program (DGP) supported development activities in the following four sectors for FY 2009 funding: climate change adaptation, microenterprise, water and sanitation, and dairy. Recipients of a DGP grant were expected to ensure that achievement of the program objectives contributed to USAID's development efforts in the specific country.

Exhibit I presents a list of the implementing LNGOs, titles of awarded activities, implementation timeframes and total amounts awarded.

The implementing partners that received grants in the first round of DGP awards in Bosnia and Herzegovina were: the Center for Support and Development (CRP) for “Capacity Building of Agricultural Businesses for Drought Adaptation”; MOZAIK Foundation for the “Empowerment of Women through Farming” activity; MCF MI-BOSPO for the “Women’s Business Network” (WBN); MCF PARTNER for the “Solar Energy as the Future of Sustainable Development” project; and the association INTEGRALNA PROIZVODNJA VOCA, for “Fostering Entrepreneurship in Rural Areas by Improving Competitiveness and Market Potential”.

The NESTO VISE association was awarded a fixed obligation grant (FOG) directly by DGP Washington in 2013 for the “Agribusiness Microenterprises Development in BiH” activity.

¹ Request for Applications (RFA) Number M/OAA/GRO/EGAS-DGP-10-001 “Development Grants Program (DGP)”:



Exhibit I: The six awards granted by the 2010–2013 USAID/BiH DGP

LNGO	Activity title	Start Date	End Date	Total Costs
MOZAIK Foundation	The Empowerment of Women through Organic Farming in Bosnia and Herzegovina	9/8/10	9/9/13	\$1,992,929
MCF MI BOSPO	Establishment of the Women’s Business Network (WBN) in BiH	9/21/10	9/19/13	\$1,510,929
Fruit Growers Association	Fostering Entrepreneurship in Rural Areas by Improving Competitiveness and Market Potential	4/1/11	3/21/14	\$1,408,251
MCF PARTNER	Solar Energy as the Future of Sustainable Development	7/11/11	07/10/16	\$1,016,110
Association Centre for Development and Support (CRP)	Capacity Building of Agricultural Businesses for Drought Adaptation in BiH	9/23/10	3/22/12	\$306,364
Nesto Vise	Agribusiness-Microenterprise Development	09/18/13	09/17/16	\$887,624

The Mozaik Foundation (MOZAIK), in partnership with EkoMozaik, an enterprise fully owned by MOZAIK, was awarded a cooperative agreement (AID-169-A-00-10-00103-00) in the amount of \$1,992,929 in the first round of DGP awards in Bosnia and Herzegovina for the “Empowerment of Women through Farming” activity. Implementation of the activity started on September 10, 2010 and ended on September 10, 2013. The overall objective of the project was to fight poverty and social exclusion by enabling and accelerating the economic development of the rural population through the creation of a market-driven business model capable of long term sustainable growth. EkoMozaik planned to provide 161 women with long-term employment in a greenhouse, an apiary, and open field production. The project also had a reconciliation component, hiring both Serb and Bosniak women. The organization planned to adopt Good Agricultural Practices (GAP) standards in its production, thus moving its products along a value chain. A total of 72 hectares was leased from the municipality of Sekovici and private individuals, and a modern greenhouse of 5,017 m² with irrigation and heating systems, plant incubators, and equipment and storage facilities was built. This greenhouse was meant to provide a cost-effective solution to production, increase the financial sustainability of EkoMozaik, and prolong the beneficiaries’ working season. Exhibit 2 presents a list of main interventions implemented during the lifespan of the activity and expected results.

Exhibit 2: Types of interventions organized through the “Empowerment of Women through Farming” activity

Intervention type	Expected results ²
The engagement of at least 100 women, with 100 contracts signed for long term work	161 women engaged
The organization of at least 6 training sessions/workshops/consultancies, delivered by experts	9 workshops and training sessions held, in which 91% of beneficiaries participated/161 women involved in on-the-job training
The facilitation of reconciliation between Bosniak and Serb communities	The group of 161 female beneficiaries included 13 Bosniak women
Global GAP certification	Organic production was removed from the project’s scope as a Modification of Assistance
70 ha of land sourced and ready for cultivation	72 ha leased
The production of a minimum of 8 tons of honey by fall 2012	2,000 bee colonies in 2010
	541 bee colonies and 3.5 tons of honey in 2012
	198 bee colonies and 525 kg of honey in 2013
100,000–200,000 lavender seedlings planted on 70 ha by the end of 2012	3 ha were planted with lavender in 2013
EkoMoziak to generate \$US 514,285 annually as of 2013	191,505 BAM generated by the end of August 2013

The Centre for Development and Support (CRP), in cooperation with the NESTO VISE (NESTO VISE) Association, was awarded a cooperative agreement (AID-168-A-00-10-00105-00) in the amount of \$306,364 in the first round of DGP awards in Bosnia and Herzegovina for the “Capacity Building of Agricultural Businesses for Drought Adaptation” activity. Implementation of activities started on September 23, 2010 and ended on March 22, 2012. The purpose of this activity was to increase the capacity of the agricultural sector to adapt to droughts occurring due to climate change. The activity focused on drought adaptation, and the provision of technical assistance not currently provided by the fragmented government support measures to farmers for drought adaptation activities. At least 10,000 farmers from northeast BiH were expected to have the opportunity to apply adaptive solutions through drought adaptation measures adopted by entity and cantonal governments and by municipalities. The activity also aimed to: increase farmers’ yields; reduce total production losses; help farmers become more competitive in local and regional markets; improve the efficiency of the BiH agricultural sector; increase exports; improve the economic conditions in BiH; bring BiH closer to EU environmental standards; and create a basis for sustainable development. Much of the activity was based on technical assistance aimed at strengthening the capacity of cooperatives and farmers to advocate for further support and

² Source: Dario Vins and Sabina Dervisevic; Evaluation, Empowerment of Women through Farming; September 2013.



subsidies from different tiers of government in the areas of irrigation and drought adaptation. Exhibit 3 presents the interventions implemented during the lifespan of the activity.

Exhibit 3: Types of interventions organized through the “Capacity Building of Agricultural Businesses for Drought Adaptation” activity

Intervention type	# of events	# of beneficiaries
Training for drought adaptation management	15	about 300
Advocacy training	5	14
Training for government officials	10	33
Roundtables and open dialogue between farmers and government representatives	10	about 200
Study tours	7	349
Establishment of demonstration farms	6	6
The opportunity to apply adaptive solutions, using drought adaptation measures adopted by entity and cantonal governments, and by municipalities.	N/A	10,000 farmers

MCF MI-BOSPO (MI-BOSPO) was awarded a cooperative agreement (AID-168-A-00-10-00104-00) in the amount of \$US 1,510,929.00 in the first round of DGP awards in Bosnia and Herzegovina for the establishment of the “Women’s Business Network” activity. Implementation of the activity started on September 20, 2010 and ended on 19, September 2013. The purpose of the project was to establish a sustainable Women’s Business Network (WBN) to detect barriers to women in entrepreneurship and employment and provide solutions. The WBN was expected to serve as a platform through which members would be able to increase market connections, improve access to finance, obtain business-related education, and receive advocacy tools to ensure gender equality in a business-enabling environment. By the end of the activity, 2,400 of MI-BOSPO’s clients were expected to be using the Network’s services. The objectives of this activity were: to support women in their business endeavors managing enterprises and farms; to improve their response to business risks; and to improve their money management abilities. The expected results were (Exhibit 4): (i) that the WBN would be created and attain 1,700 members; (ii) that WBN members would be able to use the WBN to expand/improve their businesses; (iii) that the WBN would be promoted effectively; (iv) that WBN members would have better access to financial products and services; and (v) that WBN members’ entrepreneurial skills would improve. MI-BOSPO used its network of 25 field offices to establish clubs for women entrepreneurs and cover a geographical area of more than 70 municipalities. Clubs were organized in Tuzla, Bijeljina, Ugljevik, Doboj, Teslić, Gradačac, Vlasenica, Srebrenica, Kladanj, Zavidovići, Maglaj, Žepče, Živinice, Banovići, Kalesija, Zvornik, Brčko, Prnjavor, Odžak, Derventa, Srebrenik, Gračanica, Lukavac, Sarajevo, and Olovo.

Exhibit 4: Types of interventions organized through the WBN for WBN members

Intervention type	# of end beneficiaries and expected results
The establishment of the Women’s Business Network	1,700 WBN members
Participation in the organization of 5 business/agricultural regional fairs	Organized 48 trade fairs/794 WBN members participated
The negotiation of 6 collective contracts to achieve better production, selling and purchasing terms	5 purchase contracts signed for 58 WBN members
The implementation of 3 public campaigns addressing priority issues (stimulation of measures for women’s entrepreneurship; improvement to education curricula; land corruption issues)	3 public campaigns conducted 541 WBN members involved
1 value chain created, with 2–3 public-private partnerships supporting it	25 WBN members
WBN promotion	63 media campaigns
Training	8,703 participants

MCF PARTNER was awarded a cooperative agreement (AID-168-A-11-00005) in the amount of \$1,016,110 in the first round of DGP awards in Bosnia and Herzegovina, for the “Solar Energy as the Future of Sustainable Development in Bosnia and Herzegovina” activity. Implementation of the activity started on July 11, 2011 and ended on July 10, 2016.

MCF PARTNER identified a gap in the market that related primarily to the obligation of EU countries to source 20 percent of their energy needs from renewable sources (including solar energy) by 2020³. To address this need and meet the target set by the EU, MCF PARTNER designed a project aimed at “increasing local production of solar collectors, and increasing the usage of solar collectors and/or other alternative sources of energy, through raising awareness of the importance of using alternative energy sources.”⁴ However, with its present status in the EU accession process in mind, Bosnia and Herzegovina is currently under no obligation to reach the EU’s 20 percent energy efficiency target by 2020.

The activity design envisaged implementation in two phases. Phase I related to market research, and identifying the extent of the demand for solar collectors in households and SMEs in BiH. PRISM Research⁵ performed market research, including existing producers of solar collectors and their operations. This research created a foundation for the design of the implementation phase (Phase II). Phase I lasted 6 months.

³ MCF Partner; Solar Energy as the Future of Sustainable Development, Completion Report; July 2016.

⁴ MCF Partner; Solar Energy as the Future of Sustainable Development, Completion Report; July 2016.

⁵ PRISM Research Study; Study: Market Research for Project Assignment: “Increasing Utilization of Alternative Energy Sources”; January 2012.



Phase II started with the selection of 20 SMEs and the building of their capacities for the sustainable production of solar collectors. The selected SMEs were small companies, whose existing production lines could be easily adjusted to solar panel production.

The expected results of Phase II (Exhibit 5) were:

- 20 SMEs to produce and sell solar collectors
- 200 clients to take loans from MCF PARTNER to install solar collectors⁶
- 800 indirect beneficiaries (family members of 200 clients)
- “A certain number of citizens to purchase solar collectors” using funding sources other than MCF PARTNER
- An increased number of users in the second round of funding

Exhibit 5: Interventions implemented under Phase II of the Solar Energy Activity

Intervention type	# of events	# of beneficiaries
Financial support (half grant/half loan) sufficient for business startup	1	20 SMEs
Practical business training	5 days	20 SMEs
Technical training (production and installation of solar collector systems)	75 hours	20 SMEs: 40 SME employees
Technical training (installation of photovoltaic panels for electricity)	2 days	20 SMEs
Study tour (Gratz)	1	20 SMEs
Visits to international trade fairs (Ljubljana and Munich) in 2015	2	20 SMEs
Ongoing technical assistance to producers who successfully started production	n/a	n/a
Finding placements for the solar collectors produced	Leaflet and brochure distribution, promotion through different media, trade fairs, door-to-door campaigns	124 buyers

The activity planned to increase the capacity of 20 SMEs to produce flat plate solar collectors. The initial activity design envisaged sales of plate solar collector systems for heating water. This type of collector was selected due to the simplicity of its production technology and production process relative to other types of solar collectors (such as vacuum tube solar collectors). Selected

⁶ On February 12, 2015, MCF PARTNER received a letter from USAID/BiH Mission stating that 200 disbursed loans for the installation of solar panels are viewed by USAID “as an expected result and not a firm U.S. Government requirement. Partner MCF shall continue its best effort to disburse remaining loans under the cooperative agreement, as per Partner’s notice letter dated December 26, 2014.”.

SMEs who completed training programs were awarded grants in the amount of 10,000 BAM and required to take a 10,000 BAM loan from MCF PARTNER.

The activity design envisaged a new loan product for buyers of solar collectors (an “energy saving loan”). The amount of the loan was in the range of 1,000 to 10,000 KM, with an interest rate of 9.99 percent and a repayment period of 60 months. Besides interventions related to the development of the local capacity to produce solar collectors and the disbursement of loans for their purchase, the activity envisaged a broad awareness-raising campaign, implemented through different events and media (including leaflet and brochure distribution, TV and radio presentations, press conferences, and documentary clips). The campaign was expected to result in an increased demand for solar collectors.

The FRUIT GROWERS’ ASSOCIATION “Integralna proizvodnja voca” (IPV) was awarded a cooperative agreement (AID-168-A-11-00003) in the amount of \$1,408,251 in the first round of DGP awards in Bosnia and Herzegovina, for the “Fostering Entrepreneurship in Rural Areas by Improving Competitiveness and Market Potential” activity.

Implementation of the activity started on January 4, 2011 and ended on March 23, 2014. The program’s overall objective was to increase the competitiveness of the fruit and vegetable sector in northwestern BiH and to improve fruit and vegetable production and increase income generation on farms in the target region. The activity was expected to: raise awareness on integrated pest management (IMP) and GlobalGAP; certify the fruit and vegetable production of selected farms under GlobalGAP; provide extension advisory services; improve fruit and vegetable producers’ skills and know-how in production techniques; and create an export-oriented fruit and vegetable brand (Exhibit 6).

Exhibit 6: Types of interventions and number of end beneficiaries

Intervention type	# of end beneficiaries and expected results
The creation of a highly developed awareness of Integrated Pest Management (IMP) and GLOBALGAP among target groups	IMP & Global GAP training delivered to 350 farmers
The creation of an advisory/extension service, and the improvement of skills and management practices of agricultural producers	150 producers using advisory extension services
Fruit and vegetable production to be certified under GLOBALGAP	125 farms certified under GLOBAL GAP
The provision of sorting and packaging machine services	N/A
The creation of an export-oriented brand	30% increase in the value of sales in the targeted agricultural commodities market

The Nesto Vise (NESTO VISE) Association was awarded a fixed obligation grant (FOG) (AID-168-F-13-00002) in the amount of \$887,624 for the “Agriculture and Agribusiness Microenterprise Development in BiH” activity. The activity was implemented in partnership with



the Agro Mediterranean Faculty of the Dzemal Bijedic University, the Faculty of Agronomy and Food Processing Technology at Mostar University, and the Center for Development and Support (CRP) in Tuzla. Implementation of the activity started on September 18, 2013 and ended on September 17, 2016.

The purpose of the activity was to strengthen the competitiveness of the agricultural and agribusiness sector in the Herzegovina region in the market economy. This competitiveness was to be achieved through technical assistance and small grants to micro and small enterprises. Farmers and cooperatives were to introduce HACCP and GLOBALGAP standards, introduce modern agricultural practices and methodologies, and diversify agricultural production through the introduction of new varieties.

Establishing an experimental farm as a site for practical education was a significant part of the activity. The activity also organized several training sessions for end beneficiaries and provided access to resources and modern farming techniques. The land was purchased by the implementing LNNGO as a cost-share contribution to the activity. The experimental farm has since become a full-fledged one, with a surface area of over 10,000 m², 2 orchards containing about 200 trees, 2 greenhouses, 9 beehives, its own irrigation/utility system, and an outdoor garden of about 1,000 m². This farm has evolved from a conventional farm to one organized around permaculture principles, with a green roof on one of its houses and a natural reed bed water purification system. All fruits, vegetables and aromatic herbs are grown without chemicals, other than those allowed under the conditions of organic farming. Exhibit 7 presents a list of main interventions implemented during the lifespan of the activity.

Exhibit 7: Types of interventions organized through the “Agriculture and Agribusiness Microenterprise Development in BiH” activity

Intervention type	# of events	# of beneficiaries
The establishment of a demonstration farm	1	N/A
The provision of field training workshops on agriculture and agribusiness technologies	56	1,509
The provision of informal workshops including practical work	5	124
The provision of a risk management in agriculture workshop	1	100
The provision of soft skills workshops	6	78
The distribution of seedling donations	1	100
The creation of an internship program	1	34
The creation of a volunteer program	1	526
Support from MSMEs (HACCP and GAP, market analysis, new product design)	4	37

3. EVALUATION METHODS AND LIMITATIONS

3.1. METHODOLOGY AND DATA COLLECTION

The Evaluation Team employed a mixed-method approach for the design of this performance evaluation.

The first three evaluation questions examined the impact of the 2010-2013 USAID/BiH Development Grants Program on the USAID/BiH Mission's post-DGP ability to directly partner with non-traditional partners in BiH.

The last three questions examined: implementation and how the work of the implementing LNGOs was perceived and valued by end beneficiaries; challenges faced by the LNGOs in meeting USAID program requirements; whether the LNGOs' capacities changed because of their partnership with USAID; and whether they sustained their development efforts. To answer these questions, we reviewed the LNGO grantees' documentation and conducted semi-structured interviews with end beneficiaries, management staff of the LNGO grantees, key USAID/BiH Mission staff, non-beneficiary LNGOs, and other stakeholders.

The documents reviewed included:

- Awards
- Award Modifications
- Reports on Pre-Award Surveys
- Annual Work Plans
- Monitoring and Evaluation Plans where available
- Quarterly and/or Annual Reports
- Final Reports
- Mid-term Evaluations where available
- Final Evaluations where available

Some critical documents were missing, and in some cases, such as that of the FRUIT GROWERS' ASSOCIATION, documentation was scarce. This missing documentation resulted in time-consuming desk research and many requests for additional information and clarification. Exhibit 8 outlines the missing documentation.



Exhibit 8: Availability of project documentation

Type of document	MOZAIK	MI-BOSPO	PARTNER	CRP	NESTO VISE	FRUIT GROWERS'
Awards	YES	YES	YES	YES	YES	YES
Award Modification	YES	YES	YES	YES	NO	YES
Pre-Award Surveys	YES	YES	YES	YES	YES	YES
Annual Work Plans	YES (2)	YES (2)	YES (6)	NO	YES (1)	YES (1)
M&E Plans	NO	NO	YES	NO	NO	YES
Quarterly Reports	YES (2)	YES (5)	YES (14)	NO	YES (12)	NO
Annual Reports	NO	NO	YES (1)	NO	NO	NO
Final Report	YES	YES	YES	YES	YES	NO
Interim Evaluation	NO	YES	NO ⁷	NO	NO	NO
Final Evaluation	YES	YES	YES ⁸	YES	YES	NO

Key informant interviews were conducted with selected individuals who could provide in-depth information and insights on issues relevant to the evaluation. Based on intervention documents and initial interviews and advice from USAID/BiH Mission staff, the Evaluation Team identified six groups from which we selected key informants.

The six principal categories of key informants were:

- USAID/BiH staff: USAID Mission staff from the Democracy and Governance Office, staff from the Economic Development Office, USAID/BiH Mission AORs, and the Mission DGP contact point
- USAID Washington, DGP staff
- Staff of the six LNGO grantees: key management and technical staff, including Project Managers and Coordinators
- End beneficiaries of the six LNGO grantees: selected direct beneficiaries
- LNGOs that were not DGP beneficiaries: selected non-beneficiary NGOs familiar with the work of the LNGO grantees
- Other stakeholders, including: municipal officials, partners and sub-contractors of the six LNGO grantees, and participants in other USAID/BIH projects

The Evaluation Team spoke with 143 interviewees for this evaluation (9 USAID staff, 16 LNGO grantee management staff, 106 end beneficiaries, 5 representatives of non-beneficiary LNGOs, and 7 other stakeholders). Exhibit 9 presents the number of interviews conducted pertaining to the activities of the six LNGO grantees. To select its end beneficiary interviewees, the Evaluation Team first randomly selected interviewees from the lists of end beneficiaries provided by the six

⁷ On December 11, 2012, MCF PARTNER received approval from USAID/BiH Mission to eliminate midterm evaluation requirement from the Cooperative Agreement.

⁸ MCF PARTNER commissioned PRISM Research to conduct evaluation of the Solar Energy as the Future of Sustainable Development activity. The evaluation report was completed in February 2014 and seven (7) months before approval of the award modification that extended the activity duration for additional two years (until July 2016).

LNGOs. However, multiple counting within and across beneficiary types, incorrect contact information (such as non-existent phone numbers), incomplete contact information (names of end beneficiaries were not available to the Evaluation Team), the unwillingness of some end beneficiaries to talk to the Evaluation Team, and the inability to reach some end beneficiaries to schedule an interview forced the Evaluation Team to contact a larger number of end beneficiaries. The database that the six LNGOs provided did not sufficiently distinguish the intensity of participation and/or assistance provided to end beneficiaries. When the Evaluation Team attempted to schedule meetings with randomly selected participants, the acceptance rate was low: on average, one out of three or four beneficiaries contacted agreed to an interview. Several of those beneficiaries were engaged in only one activity and were not fully familiar with the interventions implemented by the six LNGO grantees.

Whenever possible, data from the listed sources were triangulated to address the same evaluation questions from multiple perspectives. Comparing and contrasting data helped us to gain a more complete understanding of the issues and gave us more confidence in the findings. The information obtained from the semi-structured interviews⁹ was consolidated for thematic analysis, using information categories related to the evaluation research questions by transcript coding. We conducted a qualitative analysis of interview transcripts, using a process in which we consolidated multiple responses related to similar themes (which were mentioned by different categories of respondents) and analyzed them for general findings.

Exhibit 9: Number of interviews conducted and their distribution per award

LNGO	USAID	LNGOs	NON-BENEFICIARY LNGOs	END BENEFICIARIES	OTHER STAKEHOLDERS
MOZAIK	1	3	1	7	4
MCF PARTNER	1	2	1	36	0
MCF MI-BOSPO	1	3	1	6	0
CRP	1	2	0	18	1
FRUIT GROWERS'	1	4 (5)	0	17	0
NESTO VISE	2	2 (3)	1	22	2
OTHER	2	0	1	0	0
TOTAL	9	16	5	106	7

⁹ Information we received from the key informant interviews is paraphrased in text boxes throughout this report.



Annex III provides a detailed list of the documents we reviewed during this evaluation and Annex III the data collection instruments. Annex IV lists the interviewees. Exhibit 10 outlines the Evaluation Matrix.

Exhibit 10: Evaluation Matrix¹⁰

Evaluation Questions	Data Sources	Research Design
<p>1. What was the nature of the Mission’s outreach to LNGOs? Had the Mission worked with the implementing LNGOs prior to these 2010–2013 DGP awards and, if so, what was the nature of that work? <u>Sub-questions:</u> How many of LNGOs were supported by the USAID/BiH Mission prior to 2010? What was the nature of the relationships and cooperation between the USAID/BiH Mission and the six implementing LNGOs prior to 2010?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with non-beneficiary LNGOs; Documentation review.</p>	<p>Mixed-method triangulation</p>
<p>2. What is the Mission’s current relationship, if any, with the LNGOs that implemented these DGP awards? <u>Sub-questions:</u> Did the Mission continue to cooperate with the six LNGO grantees after completion of the Development Grants Program? If so, what was the nature of that cooperation?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with the six LNGO grantees. Documentation review.</p>	<p>Mixed-method triangulation</p>
<p>3. What impact, if any, did these DGP awards have on the Mission’s ability to partner directly with non-traditional partners in BiH? <u>Sub-questions:</u> What is the difference in the number of the Mission’s “non-traditional partners” pre- and post-implementation of the 2010–2013 Development Grants Program? What is the difference in the amount of funding disbursed by the USAID BiH Mission through traditional vs. non-traditional partners pre- and post-implementation of the 2010-2013 Development Grants Program;</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with LNGO grantees. Semi-structured interviews with non-beneficiary LNGOs. Documentation review</p>	<p>Mixed-method triangulation</p>
<p>4. How was the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards perceived and valued by beneficiaries? <u>Sub-questions:</u> How was assistance to the beneficiaries (particularly grant mechanisms) designed and implemented?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with LNGO grantees. Semi-structured interviews with end beneficiaries.</p>	<p>Mixed-method triangulation</p>
<p>5. To what extent has the partnership with USAID strengthened or otherwise changed the capacity of these six LNGOs? Are these former DGP grantees sustaining their development efforts and, if so, how? <u>Sub-questions:</u> In which ways did the 2010–2013 DGP influence the capacities of organizations, in which areas, and how? Are organizations now better able to serve their clients and the projects’ end beneficiaries? If so, how? Did organizations sustain the implementation of these or similar interventions to the present day?</p>	<p>Pre-award surveys of the six LNGO grantees; Semi-structured interviews with key USAID/BiH Mission staff. Semi-structured interviews with LNGO grantees. Semi-structured interviews with non-beneficiary LNGOs. Documentation review. Semi-structured interviews with end beneficiaries.</p>	<p>Mixed-method triangulation</p>
<p>6. What, if any, challenges have the implementing LNGOs faced in meeting USAID program</p>	<p>Semi-structured interviews with USAID/BiH staff.</p>	<p>Mixed-method triangulation</p>

¹⁰ Additional sub-questions were planned to be addressed, as the Work Plan in Annex I shows; however, they could not be answered due to lack of contact data for beneficiaries and because USAID/BiH did not fill out the questionnaire on the capacities of LNGO grantees and the USAID/BiH Mission’s capacity to partner with non-traditional partners (shown in Annex III).

requirements, and what are the key lessons learned for any potential similar future initiatives in BiH or globally?

Semi-structured interviews with LNGO grantees.
Documentation review.

3.2. EVALUATION LIMITATIONS

We encountered four major limitations during our evaluation.

Limitation 1: Missing project documentation (see Exhibit 8).

Missing documentation limited the Evaluation Team’s ability to complement information from KII’s with in-depth insight into the implementation processes and results achieved in the implemented activities.

Limitation 2: The accuracy of end beneficiary databases

Issues with the end beneficiary databases received from the six LNGO grantees included:

- Unclear definition of “beneficiary” (all LNGOs)
- Multiple counting within and among assistance types (NESTO VISE)
- Unavailability of email addresses for end beneficiaries (five LNGOs)
- Incorrect or missing contact information (all LNGOs)
- Contact information provided without the names and addresses of end beneficiaries (MCF PARTNER)¹¹
- Intensity of beneficiaries’ assistance/participation not recorded (especially in the cases of CRP, MI-BOSPO and NESTO VISE)

Due to the lack of email addresses for end beneficiaries, the Evaluation Team was unable to conduct the online survey of end beneficiaries initially planned within the Evaluation Work Plan. The mini questionnaire given to key USAID/BiH Mission staff to examine capacities of LNGO grantees and explain potential changes in the Mission’s ability to partner directly with non-traditional partners was not completed and returned to the Evaluation Team. The Evaluation Team tripled the number of interviews with end beneficiaries to mitigate this issue.

Limitation 3: Response bias

Key informants might overstate or understate the effects of project activities. To ensure reliable and valid data, the Evaluation Team triangulated data sources for each evaluation question. Data were collected from various informants using different techniques.

Limitation 4: Recall bias

Key informants may have trouble accurately and completely recalling their experiences of events. To minimize the effects of recall bias, the Evaluation Team used well-structured interview protocols with repetitive questions addressing the same topic and collected data from different

¹¹ Due to restrictions imposed by the BiH Law on the Protection of Personal Data, MCF PARTNER provided contact information without names and addresses of end beneficiaries,



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sources and informants. The team also attempted to mitigate recall bias as much as possible by providing information on specific project activities within the interviews.

4. FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Definition: For this evaluation, non-traditional partners are defined as all local organizations registered in the beneficiary country that cooperate with the USAID Mission in the capacity of local prime implementer.

In the absence of an official definition of USAID/BiH's non-traditional partners, and to address the evaluation question relating to the Mission's ability to partner directly with non-traditional partners, the Evaluation Team spoke to several key informants and formulated its own definition of what constitutes a "non-traditional partner".

All key informants agreed that non-traditional partners should be local entities/organizations registered in the beneficiary country that had never previously cooperated with the USAID Mission in the capacity of a direct implementer of activities.

5.1. FINDINGS

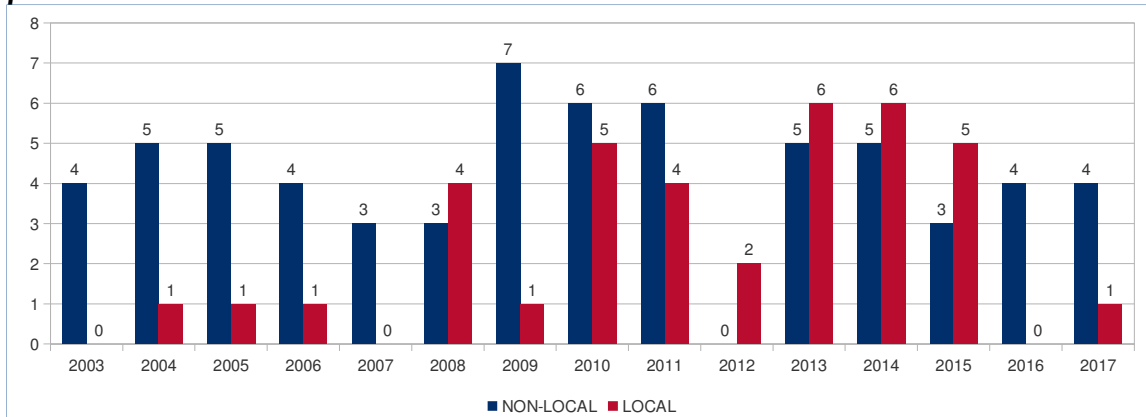
EVALUATION QUESTION I: WHAT WAS THE NATURE OF THE MISSION'S OUTREACH TO LNGOs? HAD THE MISSION WORKED WITH THE IMPLEMENTING LNGOs PRIOR TO THESE 2010–2013 DGP AWARDS AND, IF SO, WHAT WAS THE NATURE OF THAT WORK?

Finding I: According to data available to the Evaluation Team, USAID/BiH granted a total of 39 awards from 2003–2010, 34 awards from 2010–2013, and 28 awards from 2014 to the present. The total number of local (non-traditional) partners supported by the USAID/BiH Mission prior to the DGP was lower than in the period since 2010.

The number of awards granted to local organizations varied in the period between 2003 and 2017. Out of 39 awards granted from 2003–2010, 8 were to non-traditional partners. From 2010–2013, the share of awards allocated to non-traditional partners was 50 percent: 17 awards to local versus 17 to non-local organizations. From 2014 to the present, 12 non-traditional partners have received direct USAID funding. Exhibit II shows the total number of awards granted to local and non-local organizations per year.



Exhibit 11: Number of awards granted annually to traditional and non-traditional partners



Finding 2: The majority of the USAID/BiH Mission’s outreach to LNGOs (or local partners) was related to activities within the democracy and governance sector.

DEMO allocated its first award to a local prime implementing partner in 2001. Exhibit 12 shows that, from 2003–2010, the USAID/BiH Mission granted a total of 39 awards. While DEMO had six non-traditional partners, EDO had experience with only two activities implemented by non-traditional partners. However, despite differences in the numbers of their non-traditional partners, both DEMO and EDO used predominantly traditional USAID implementing partners from 2003–2010.

Exhibit 12: The total number of awards granted from 2003–2010 (prior to the 2010–2013 DGP) per program area and type of implementer

PROGRAM OFFICE	LOCAL PRIME IMPLEMENTER	NON-LOCAL PRIME IMPLEMENTER
Democracy and Governance (DEMO)	6 (75%)	18 (58.06%)
Economic Development (EDO)	2 (25%)	13 (41.94%)
Program Office (PPO)	0	0
TOTAL	8 (100%)	31 (100%)

Finding 3: The USAID/BiH Mission cooperated with only one of the six LNGOs prior to 2010 (Exhibit 13).

MCF PARTNER was the local prime implementer of the USAID/BiH Rural Employment Generation Alliance (REGA) project, which was MCF PARTNER’s first experience serving in the capacity of a local prime implementer. As MCF PARTNER’s management explained in KIIs, this cooperation occurred as the result of the restructuring of another ongoing USAID/BiH project. PARTNER received about \$800,000 to disburse commodity loans to berry fruit producers.

Exhibit 13: Number of USAID/BiH’s awards to DGP-implementing LNGOs before and since the 2010–2013 DGP

LNGO	Cooperation prior to the 2010–2013 DGP (# of awards)	Cooperation during the 2010–2013 DGP (# of awards)	Cooperation since the 2010–2013 DGP (# of awards)
CRP	0	1	0
FRUIT GROWERS’	0	1	0
MCF MI-BOSPO	0	1	0
MOZAIK	0	1	0
NESTO VISE	0	1	0
MCF PARTNER	1	1	0

EVALUATION QUESTION 2: WHAT IS THE MISSION’S CURRENT RELATIONSHIP, IF ANY, WITH THE LNGOS THAT IMPLEMENTED THESE DGP AWARDS?

Finding 4: The USAID/BiH Mission does not currently have any direct awards active with the six LNGOs that implemented the 2010–2013 DGP awards.

Databases of active awards that the USAID/BiH Mission provided, as well as interviews with the management teams of the six LNGO grantees and USAID staff, confirmed that no direct awards are currently active between the USAID/BiH Mission and the LNGOs that implemented the 2010–2013 DGP awards, although some have major sub-grants/sub-contracts with USAID/BiH flagship activities.

EVALUATION QUESTION 3: WHAT IMPACT, IF ANY, DID THESE DGP AWARDS HAVE ON THE MISSION’S ABILITY TO DIRECTLY PARTNER WITH NON-TRADITIONAL PARTNERS IN BiH?

Finding 5: The majority of the 2010–2013 DGP awards were allocated to the economic growth portfolio.

Exhibit 14 shows that DEMO implemented two DGP awards with a total value of \$3.2 million, while EDO implemented six DGP awards with a total value of \$7.12 million.



Exhibit 14: Allocation of DGP funds to the democracy and governance and economic growth sectors

LNGO	Project title	Start Date	End Date	Total Costs
Democracy and Governance				
Step by Step	Education for a Just Society	7/22/13	7/21/16	\$1,168,529
Media Center	Equality for All: Civil Society Coalition against Discrimination	5/30/14	5/29/18	\$2,048,579
Economic Growth				
MOZAIK Foundation	Empowerment of Women through Organic Farming in BiH	9/8/10	9/9/13	\$1,992,929
MCF MI-BOSPO	Establishment of the Women's Business Network (WBN) in BiH	9/21/10	9/19/13	\$1,510,929
Fruit Growers' Association	Fostering Entrepreneurship in Rural Areas by Improving Competitiveness and Market Potential in BiH	4/1/11	3/21/14	\$1,408,251
MCF PARTNER	Solar Energy as the Future of Sustainable Development in BiH	7/11/11	07/10/16	\$1,016,110
Center for Development and Support	Capacity Building of Agricultural Businesses for Drought Adaptation in BiH	9/23/10	3/22/12	\$306,364
Nesto Vise	Agribusiness and Microenterprise Development in BiH	09/18/13	09/17/16	\$887,624

Finding 6: The average annual number of awards granted to non-traditional partners in the post DGP period since 2014 was higher than it was before the DGP awards (average of 3 and 1 annual award respectively – Exhibit 15), but lower than the average annual number of awards to non-traditional partners during the 2010–2013 DGP (average of 3 and 4 annual awards respectively).

Exhibit 15: Number of awards granted to traditional and non-traditional partners in the three analyzed periods (total, annual mean, and standard deviation)¹²

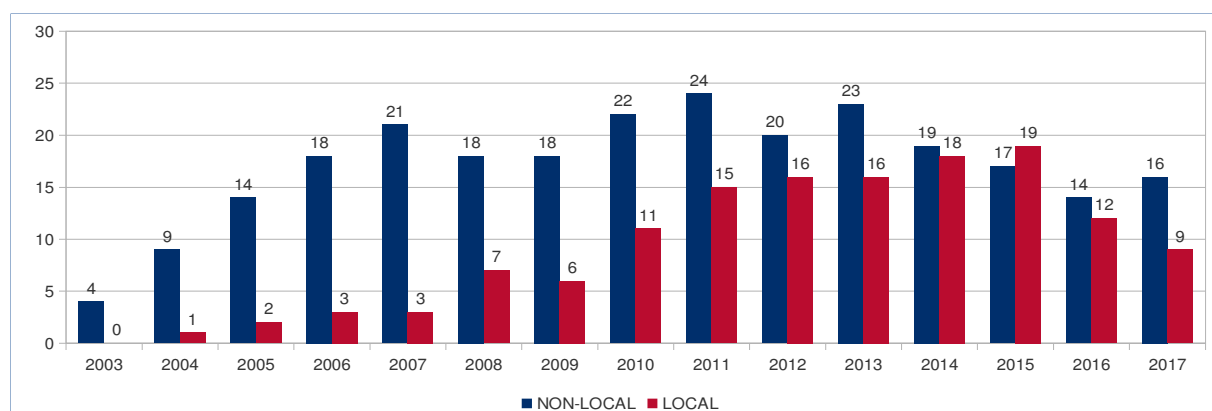
	Prior to the 2010–2013 DGP awards (2003–2009)			2010–2013 DGP awards (2010–2013)			Since the 2010–2013 DGP awards (2014–2017)		
	Total	Mean	St. dev.	Total	Mean	St. dev.	Total	Mean	St. dev.
Non-local (traditional)	31	4.43	1.41	17	4.25	2.87	16	4.00	0.82
Local (non-traditional)	8	1.14	1.35	17	4.25	1.17	12	3.00	2.94

Note: DCAs with different private banks were not included in this summary

Finding 7: DGP awards significantly increased the number of USAID/BiH non-traditional partners during their period of implementation. In the post-DGP period, the average number of awards granted to non-traditional partners managed annually by the USAID/BiH Mission (as opposed to looking at those awarded as is done under the previous finding) was considerably larger than in the period before the DGP awards.

Exhibit 16 outlines the total number of active awards managed annually by the USAID/BiH Mission. This number varied in the period between 2003 and 2016 for both local and non-local organizations. The Mission had the largest number of awards with non-traditional partners in 2010–2013, during DGP implementation

Exhibit 16: Total number of awards to traditional and non-traditional partners managed annually by the USAID/BiH Mission



¹² Source: “USAID Contracts, Grants and Cooperative Agreements: Active Awards” Spreadsheets (2003-2008, 2009, 2010, 2011, 2012 and 2013) and “Time Frame for Existing and Proposed USAID Activities” Spreadsheets (FY14–FY17, FY14–FY18 and FY15–FY19).



Exhibit 17 shows that the average annual number of awards granted to non-traditional partners and managed by the USAID/BiH Mission in the post-DGP period is almost the same as it was from 2010–2013, but with a somewhat larger standard deviation.

Exhibit 17: Average number of awards managed annually by the USAID/BiH Mission¹³

	Prior to the 2010–2013 DGP awards		2010–2013 DGP awards		Since the 2010–2013 DGP awards	
	Average	St. dev.	Average	St. dev.	Average	St. dev.
Non-local (i.e. traditional)	14.57	6.19	22.25	1.71	16.50	2.08
Local (i.e. non-traditional)	3.14	2.54	14.50	2.38	14.50	4.80

Note: DCAs with different private banks were not included in this summary

Finding 8: The nature of USAID/BiH’s outreach to LNGOs changed gradually between 2003 and 2017 to take a more balanced approach in the two main sectors: economic growth, and democracy and governance.

Exhibits 18 and 19 present changes in the ratios of active awards granted to non-traditional and traditional partners in different sectors.

Overall, in the period between 2004 and 2017, except for 2011 and 2012, DEMO had the largest share in the total number of active projects awarded to non-traditional partners compared to other USAID/BiH Offices – EDO and PPO.

The largest number of active awards granted to non-traditional partners at the beginning of the observed period from 2004 to 2017 was in the democracy and governance sector. However, the allocation of awards to non-traditional partners in the economic growth sector slowly increased to 53.3 percent in 2011.

The number of active awards granted to non-traditional partners managed annually by DEMO and EDO was equal only during the 2010–2013 Development Grants Program. In all other years, DEMO managed significantly more projects implemented by non-traditional partners.

¹³ Source: “USAID Contracts, Grants and Cooperative Agreements: Active Awards” spread sheets (2003, 2008, 2009, 2010, 2011, 2012 and 2013) and “Time Frame for Existing and Proposed USAID Activities” spread sheets (FY14–FY17, FY14–FY18 and FY15–FY19)

Exhibit 18: Ratio of active grants awarded to non-traditional partners in the sectors of economic growth, democracy and governance, and PPO

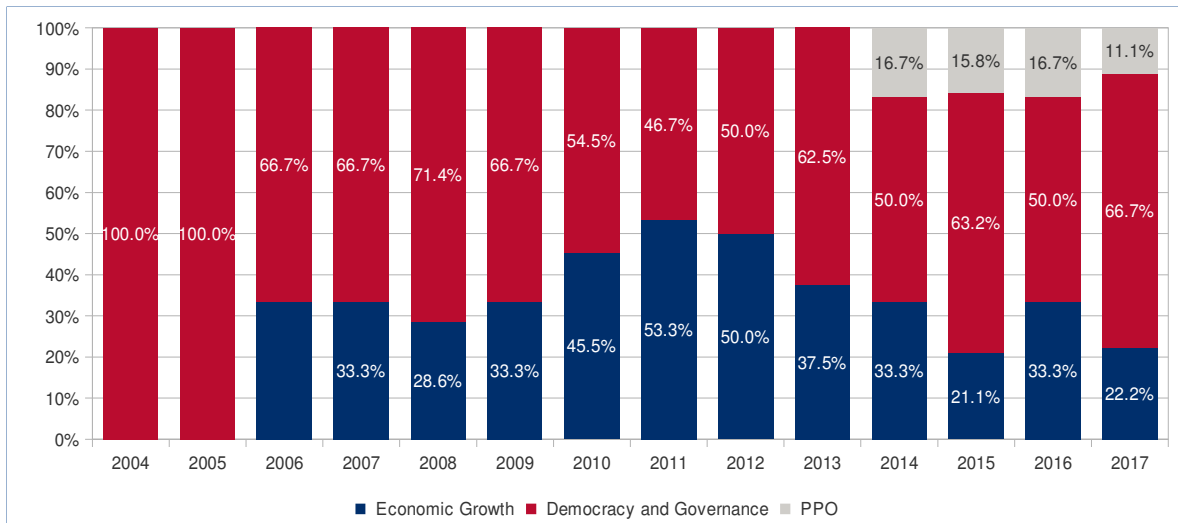
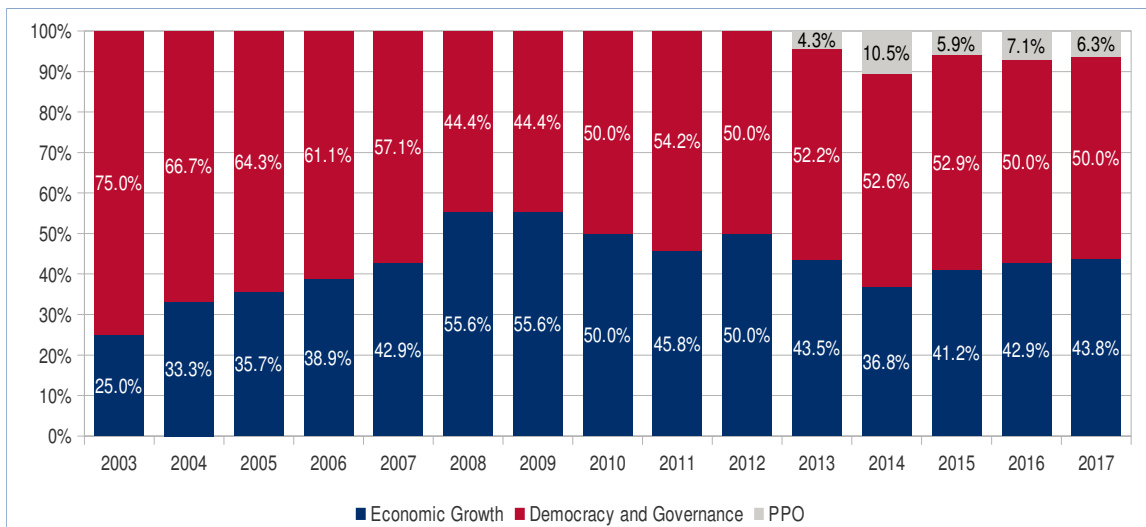


Exhibit 18 shows that, over the period from 2004 to 2017, more attention was given to the democracy and governance sector and its activities.

Regarding the distribution of active awards to traditional partners, variation between the democracy and governance and economic growth sectors is much lower than the ratio of active awards granted to non-traditional partners.

Exhibit 19: Ratio of active grants awarded to traditional partners in the sectors of economic growth, and democracy and governance





Finding 9: The number of non-traditional partners has been larger since the 2010–2013 DGP than it was before. This expansion is primarily due to an increase in non-traditional partners in PPO (awards under PPO are DEMO activities by their content).

Exhibit 20 shows that EDO and DEMO had the same number of non-traditional partners before and after the 2010–2013 DGP (six for DEMO and two for EDO); however, the numbers are not comparable due to the difference in the span of periods analyzed.

Exhibit 20: Total number of awards granted to traditional and non-traditional partners before and since the 2010–2013 DGP

PROGRAM AREA	Prior to 2010–2013 DGP awards (2003–2010)		After 2010–2013 DGP awards (2014–2017)	
	Local	Non-local	Local	Non-local
Democracy and Governance	6 (75.00%)	18 (58.06%)	6 (50.00%)	8 (50.00%)
Economic Growth	2 (25.00%)	13 (41.94%)	2 (16.67%)	7 (43.75%)
PPO	-	-	4 (33.33%)	1 (6.25%)
Total	8 (100%)	31 (100%)	12 (100%)	16 (100%)

Finding 10: Since 2013, the share of funds disbursed through non-traditional partners has been significantly higher than it was before the 2010–2013 Development Grants Program; however, most funds disbursed still go to USAID/BiH’s traditional partners.

Exhibit 21 shows the total funding amounts allocated annually to traditional and non-traditional partners, by year. The total annual amount of funding was calculated as the sum of total values of all projects awarded that year.

Exhibit 21: Total amount of funding distributed annually to traditional and non-traditional partners

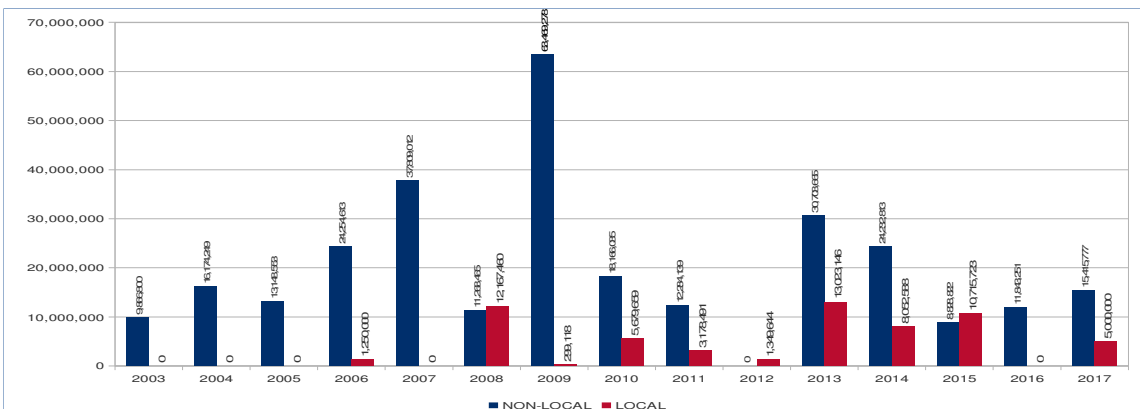
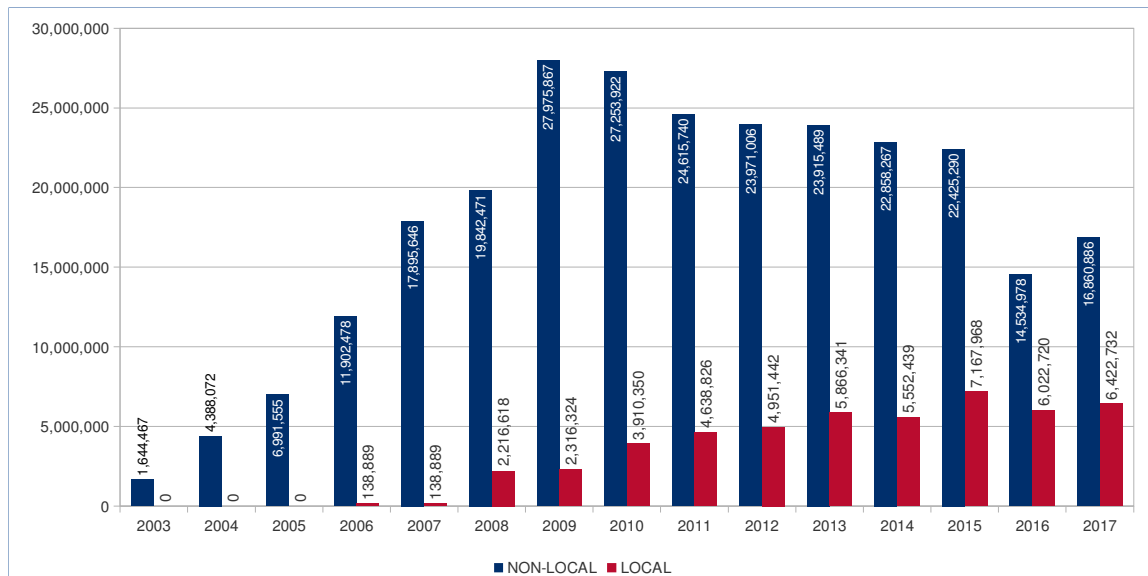


Exhibit 22 presents the average annual spending for projects in specific years (calculated as a simple average: total grant amounts divided by the number of years of project implementation).

Exhibit 22: Average annual spending for projects in specific years¹⁴



Notes:

* DCAs with different private banks were not included in this summary

** Data on total costs are missing for 11 NGOs from 2003–2005

*** This calculation is based on the number of active grants in a given year. Exhibit 22: the amount in any year is calculated as the sum of all total values of the projects awarded in that year. Exhibit 23 represents the average (estimated) annual spending for all projects in the current year. Annual spending for a project is calculated as the total grant amount divided by the number of years of project implementation.

¹⁴ Source: “USAID Contracts, Grants and Cooperative Agreements: Active Awards” Spread sheets (2003, 2008, 2009, 2010, 2011, 2012 and 2013) and “Time Frame for Existing and Proposed USAID Activities” Spread sheets (FY14–FY17, FY14–FY18 and FY15–FY19).



EVALUATION QUESTION 4: HOW WAS THE WORK OF THE IMPLEMENTING LINGOs IN THE SIX INTERVENTIONS OF THE 2010–2013 DGP AWARDS PERCEIVED AND VALUED BY BENEFICIARIES?

MI-BOSPO

Finding 11: According to the Evaluation Report conducted at the end of the activity, MI-BOSPO achieved all targeted values of output level indicators.

According to MI-BOSPO’s Final Report and Final Evaluation Report, all activity objectives and expected results were achieved. Both reports provide information about the hundreds of events organized and the thousands of female WBN members who participated in them.

The Final Evaluation Report concludes that “the Project was useful for the selected beneficiary groups.”¹⁵

Finding 12: The interview acceptance rate within our evaluation was low, with only one in five end beneficiaries contacted agreeing to an interview.

MI-BOSPO submitted to Evaluation Team a list of 1,792 end beneficiaries. Most of these end beneficiaries (67 percent) were women from disadvantaged social groups, with monthly earnings of less than 500 BAM. About 65 percent were from remote rural areas, and the only way to schedule and conduct an interview with them was to go to the end beneficiary’s location. In many cases, women redirected the Evaluation Team to talk to their husbands. In the six interviews conducted, the Evaluation Team interviewed a husband once, and, in another case, the husband was present and actively participated in the interview.

One fifth of phone numbers contacted were not in use. Out of the 30 end beneficiaries contacted, 6 agreed to an interview. Due to the unavailability of email addresses for end beneficiaries, the Evaluation Team was not able to conduct the online survey it initially planned in the Evaluation Work Plan. Exhibit 23 provides information on the interview scheduling process and the reactions of end beneficiaries contacted.

¹⁵ Tihomir Knezicek; Final Program Evaluation, Establishment of the Women’s Business Network in Bosnia and Herzegovina; November 2013.

Exhibit 23: Scheduling interviews with MI-BOSPO's end beneficiaries

<u>Contact info</u>	<u>Comment</u>	<u>Contact info</u>	<u>Comment</u>
061 xxxx98 Doboj	Interviewed.	065 xxxx56 Prnjavor	Declined interview due to lack of time.
061 xxxx66 Maglaj	No reply	065 xxxx51 Prnjavor	Declined interview due to lack of time.
062 xxxx66 Strupine	Interviewed. Did not participate due to health problems.	065 xxxx56 Prnjavor	Interview scheduled on 1 August 2017 at 15:00. Interview cancelled upon Evaluation Team's arrival to Prnjavor.
061 xxxx87 Maglaj	Refused interview.	065 xxxx96 Kremna	Number not in use
061 xxxx89 Maglaj	No reply	051 xxxx85 Strpci	Not available
066 4xxxx07 Maglaj	No reply	051 xxxx16 Strpci	Did not provide any substantial information to the Team. She took the loan and repaid it, but said interest rates were too high.
063 xxxx01 Maglaj	Number not in use	065 xxxx07 Strpci	Not available
061 xxxx25 Maglaj	No reply	065 xxxx82 Derventa	She briefly participated in the project, but did not use any services. Does not have time for an interview.
062 xxxx69 Maglaj	Refused interview.	066 xxxx97 Derventa	Declined interview due to lack of time.
062 xxxx05 Maglaj	Number not in use	065 xxxx19 Derventa	Not available. Currently outside BiH
062 xxxx01 Maglaj	Interviewed	065 xxxx89 Derventa	Not available.
061 xxxx81 G, Ozimica	Interviewed	061 xxxx00 Zepce	Number not in use.
061 xxxx53 Zepce	Wrong number	063 xxxx51 Zepce	Number not in use
065 xxxx99 G. Strpci	Not available	061 xxxx57 Zepce	No reply
061 xxxx77 Tuzla	Interviewed	061 xxxx21 Tuzla	Interviewed

Finding 13: Five out of six end beneficiaries interviewed expressed their satisfaction with work of the LNGO and with the assistance and services provided.



One interviewee only briefly participated in the project and could not provide information about its activities. When talking about assistance received, end beneficiaries mainly referred to participation in trade fairs, training sessions, and club meetings. Trade fair participation and the opportunity for beneficiaries to exhibit their goods and products was considered the most

“There was a small trade fair here in Maglaj, which I went to, and I participated in all the training sessions held by professors from Tuzla. All in all, I was satisfied, but maybe the majority of women expected more concrete assistance. I personally did not. I know how it goes when somebody gets a donation for a project. Nobody just hands out cash, or machines. I didn’t expect anything like that. A lot of women did though, and they said so. I simply told them they should be grateful for the free transport, and the free meal, and the exhibition stand.”

—MI-BOSPO beneficiary

“I participated in meetings, and training sessions. You can see this certificate ... I was invited, and I went whenever I had free time ...activities were really frequent; something was organized every week. But I don’t know why they didn’t give us any money, or an interest-free loan.”

—MI-BOSPO beneficiary

“They financed, for example, trade fairs. We went to them free of charge. I grew flowers, and their car would come to my house to pick them up. Sometimes they even gave us lunch ... I’m just telling you how it was. All the money we earned was our own, and then they took us back home. So we did not spend any of our own money.”

—MI-BOSPO beneficiary

useful type of assistance. A few interviewees stated that many beneficiaries expected “more concrete” assistance, i.e. financial assistance.

Finding 14: All end beneficiaries interviewed stated that they did not participate in events organized by the Women’s Business Network after the completion of the project.

Three out of six end beneficiaries interviewed stated that they were not members of the Women’s Business Network. None of the end beneficiaries interviewed knew whether the WBN was still active. MI-BOSPO’s management confirmed that the WBN is not operational.

“The Women’s Network has not existed in Maglaj for some time.”

—MI-BOSPO beneficiary

“I saw on Facebook that something had happened with the WBN.”

—MI-BOSPO beneficiary

“Q: When was the last club meeting held?”

A: I don’t know, maybe last year or two years ago.”

—MI-BOSPO beneficiary

“Q: What is left in terms of the organization, its institutional capacity, and the network itself? Is the WBN a separate organization?”

A: Nothing. Except they (the women) do not know the difference between the institution and MI-BOSPO employee and administrator of the WBN Facebook page.”

—MI-BOSPO Management

Finding 15: The regulatory framework in BiH restricts the ability of microcredit organizations to provide non-financial services and develop them as their regular business line/activity¹⁶. Provision of non-financial services to beneficiaries who are not microcredit clients is strictly banned.

¹⁶ Article 15 of the Law on Microcredit Organizations in FBiH (Official Gazette No. 59/06)

A microcredit organization may provide only the activities of granting microcredits as its basic activity entered into the court registry, i.e. the registry of foundations.

A microcredit organization may provide, in a lesser scope or temporarily, other activities that serve the activity of microcrediting and that are commonly executed together with the activity of microcrediting, including the following:

a) receiving and giving out gifts and donations and the raising of financial assets and other forms of property from any legal source;

During the activity life span, MI-BOSPO organized and delivered 1,051 seminars,

“The Law stipulates that we are allowed to do this only occasionally (temporarily), and are not allowed to develop it as a regular activity.”

—MI-BOSPO Management

workshops and trainings aimed “to improve the entrepreneurial skills of WBN members.”¹⁷ About 39 percent of MI-BOSPO’s end beneficiaries were not MI-BOSPO borrowers. Organization and delivery of these trainings, seminars and workshops over the 3-year period was in direct conflict with the provisions of Article 15 of the Law on Microcredit Organizations of FBiH. After the activity completion, MI-BOSPO ceased the provision of assistance to end beneficiaries due to legal restrictions.

CRP

Finding 16: According to the evaluation conducted at the end of the activity, CRP achieved all targeted values of output level indicators.

One of the Evaluation Report’s findings was that some stakeholders, belonging to various levels of government, were only partially involved and only partially contributed to the success of the project¹⁸. This finding was important, since active involvement and participation from governments was a critical precondition for the achievement of the activity’s specific objective: “At least 10,000 farmers will have the opportunity to use drought adaptation support measures adopted by the responsible government institutions.” According to the Report, training was delivered to 284 farmers (84 more than planned) and 7 cooperatives, enabling them to better articulate issues and prepare for roundtables with government officials. The activity organized 10 roundtables (8 at the municipality level, 1 at the canton level, and 1 at the state level) to initiate a dialogue between governments and farmers. About 200 farmers visited 6 demonstration farms that were equipped with efficient and affordable irrigation systems.

Finding 17: CRP did not maintain or provide a proper list of the contact information for end beneficiaries.

The Evaluation Team received 4 lists comprising 600 end beneficiaries (demonstration farm owners, cooperatives, farmers, and government officials). These lists contained only six phone numbers in total. After the Evaluation Team repeatedly requested the provision of a list containing the end beneficiaries’ contact information, on July 14, 2017, CRP sent an email to the Evaluation Team, advising it to obtain contact information for 284 farmers from their cooperatives (the phone numbers of the cooperatives were also not provided). On August 4, 2017, during an interview with CRP staff held in Tuzla, the Evaluation Team was given hard copies of the participant lists from training sessions and roundtables.

b) giving and pledging/mortgaging property, including microcredits, to secure borrowing, and
c) credit consultations, business counseling and technical assistance aimed at the improvement of credit activities of the microcredit organization and business activities of microcredit beneficiaries.

¹⁷ MI-BOSPO; Final Report; 2013.

¹⁸Vera Kelava: Performance Evaluation Report for the project “Capacity Building of Agricultural Businesses in Drought Adaptation”; April 2012



Finding 18: More than half of the 16 end beneficiaries interviewed had difficulties recalling their participation in the activity and were not able to speak about activity results. This issue reiterates the ambiguity of the definition of “end beneficiary”.

The Evaluation team interviewed 16 end beneficiaries.

In the first round of interviews with CRP’s end beneficiaries, the Evaluation Team visited and interviewed all owners of demonstration farms supported and financed by CRP (who provided phone numbers for only five of their end beneficiaries). All five owners of the demonstration farms expressed their satisfaction with the support and assistance provided. The demonstration farm owned by the Koraj Cooperative is still functional although partially damaged by a landslide that occurred 1 year after completion of the activity.

In the second round of interviews, after receiving the participant list, the Evaluation Team randomly selected and interviewed 11 end beneficiaries.

Four out of the 11 end beneficiaries interviewed stated that they did not participate in the project or had difficulties recalling their participation.

An additional three end beneficiaries interviewed participated in roundtables, but did not know about the other elements and activities of the project.

Four out of eleven 11 end beneficiaries interviewed participated in more than one activity (training sessions, study tours, roundtables) and expressed their satisfaction with the work of the implementing LNGO (Exhibit 24).

“I am grateful. I would like to thank the Project because it helped me a lot. I would not have been able to do it (irrigation system) on my own.”
—Demonstration farm owner

“An agronomist visited us when a landslide damaged the farm and the irrigation system. He looked at it and concluded that the problem was an absence of drainage channels. The work that was required (to build drainage channels) was in excess of the total project value. Everybody wanted better results for less money. It’s the same with donors: they want double the quantity for half the money.”
—Demonstration farm manager

“Training and education were just as important to us as the pump. That pump helped us to improve the system we already had, but we had much more valuable irrigation equipment. One of our filters is worth more than that pump, but all the things we saw helped us to learn a lot about irrigation and how to use all these systems.”
—Demonstration farm manager

“All in all, it was successful. We are not unsatisfied. They delivered what they promised.”
—Demonstration farm owner

*“Q: Did they enlist you as one of beneficiaries of the project?
A: Never. I never participated.”*
—CRP end beneficiary

“Well I can tell you, I did not participate directly. I was there, but I didn’t really get anything out of it, although some people did. They got advice, and that’s okay.”
—CRP Round Table participant

“I was never a beneficiary of any CRP project.”
—CRP end beneficiary

“I was present at one seminar, but we did not manage to achieve anything. In the area where I live, we don’t have a problem with water. We do not need irrigation, we only need money.”
—CRP end beneficiary

Exhibit 24: End beneficiaries interviewed and their perception of CRP's work

Type of service	# of beneficiaries interviewed	# of beneficiaries satisfied
Owners of demonstration farms	5	5 satisfied
Trainings, roundtables and study tours	11	4 stated that they did not participate, or had difficulties recalling their participation
		3 Round Table participants, who did not know about the project's other elements
		4 participants of training sessions, study tours: satisfied

Finding 19: The main expected outcome (10,000 farmers to have the opportunity to apply adaptive solutions using the drought adaptation measures adopted by entities, cantonal ministries or municipalities) was not achieved.

The main expected outcome depended exclusively on measures and support expected to be provided by the governments of BiH. These government institutions did not design drought adaptation measures and did not provide support to farmers.

Finding 20: The representative of Gradacac Municipality's Agriculture Department who participated in the activity was not aware of CRP's two demonstration farms in his own municipality.

The representative of Gradacac Municipality who participated in the CRP project and attended two seminars was not aware of the existence of CRP's two demonstration farms in Gradacac Municipality. He recalls that the seminars were about the effects of global warming and that interesting ideas were presented, but nothing concrete was achieved and not a single project implemented.

*“Q: Until now you were not aware of the two demonstration farms in your Municipality.
A: No. I personally did not know. I manage this Department. I am the Higher Expert Associate for Agriculture. Maybe my colleague who is the Expert Advisor for agriculture was aware of them, but I was not.”
—Representative of Municipality*

MOZAIK FOUNDATION

Finding 21: According to the evaluation conducted at the end of the activity, MOZAIK achieved several of its targeted values of output level indicators, although the activity did not achieve its expected year 3 revenue target.



The Evaluation Report concluded that EkoMozaik alleviated poverty and assisted with social inclusion of its female beneficiaries and their families, by creating a sustainable social enterprise¹⁹. According to the Evaluation Report, the activity successfully hired and trained 161 women and contributed to reconciliation between Bosniaks and Serbs. The Report also stated that a third of beneficiaries were the sole earners in their households and that, for nearly half of beneficiaries, this activity was their first meaningful employment²⁰. Long-term engagement in the activity increased their self-esteem and changed their status within the household, as well as the dynamics of their families²¹.

Finding 22: The majority of women interviewed were thankful for the opportunity to work.

Sekovici Municipality is a poor area with few employment opportunities. The majority of women interviewed were thankful for the opportunity to work, and stated that the project was the best thing that had happened to Sekovici Municipality.

“It was superb thing. We have never had a better facility in Sekovici. We are all sorry to have lost it. We could do something about it again, while there is still a workforce. But people are leaving the area. There’s nothing for them here.”

—MOZAIK worker

“I was satisfied. I really regret that it’s gone. We were a team, and we worked.”

—MOZAIK worker

Finding 23: The majority of the seven women interviewed were hired on an as-needed basis and paid a daily fee.

Most of the women interviewed were hired on an as-needed basis and paid a daily fee in the amount of 20–25 BAM. No social security contributions were paid. Daily fees paid to women were gradually reduced during the project’s lifespan, from an initial 25 BAM to 20 BAM at the end of the project. Based on information received from interviewees, a core group of 20 to 30 women were engaged frequently (every day).

“When there was no work they would take us back home. Then they would hire us again in five days’ time. I can’t remember that I ever had a full month’s work and a monthly salary.”

“Anything is enough when you have nothing. Our average daily rate was 20 BAM.”

—MOZAIK worker

“We never knew when we would work. They said that work would come when it came. We had contracts, but we never knew. We signed those contracts, but we would work for five days, then we would go home and wait, and wonder whether they were going to call you again or not ...”

“At the beginning it was 25 BAM, then it was reduced to 24 BAM, then reduced again to 20 BAM.”

—MOZAIK worker

¹⁹ Dario Vins and Sabina Dervisefendic; Evaluation, The Empowerment of Women through Farming; September 2013.

²⁰ Ibid.

²¹ Ibid.

Finding 24: Three out of seven women interviewed expressed their dissatisfaction with how the project was managed.

The complaints were related to favoritism in the selection of workers, the professionalism of management staff, and irregularities related to fund management.

“For the first 5 to 6 months we were hopeful, however, the organization of work was terrible, and there wasn’t anybody to complain to. I waited for the Director to come from Sarajevo so I could complain, but nobody wanted to listen ...”

—MOZAIK worker

“They didn’t pay us for 2 months’ work, so we called Sarajevo, because the contract stipulated that we must be paid by the 30th of the month. We waited until September, until they sold the cucumbers, but there was no money. We waited for two months, and then we called again. We told them we would sue, because people have loans, and debts.”

—MOZAIK worker

Exhibit 25 outlines expected and achieved results of the MOZAIK activity.

Exhibit 25: Expected and achieved results of the MOZAIK activity

Expected results	M&E Indicators	Plan List (#) of end beneficiaries received from LNGO	# of end beneficiaries interviewed	Achievement of M&E Plan Indicators
Long-term employment and income generation for rural women	100 rural women provided with long-term employment	140	7	140 women employed 7 interviewed women were thankful for the opportunity to work
Established organic production of, and secured markets for, organic herbs	900 tons of organic herbs produced and \$US 514,285 generated per year by the end of year 3	140	7	Not achieved
Replication of the social entrepreneurship model in other municipalities	At least 2 other municipalities approached Mozaik to extend the model	140	7	Mozaik contacted by other government officials, model not replicated



Finding 25: Three out of five other stakeholders²² interviewed reported a lack of skills in the management of agricultural businesses and a lack of professionalism in EkoMozaik’s management.

A former EkoMozaik Manager stated that EkoMozaik was unable to fulfill its contractual obligations regarding the delivery of contracted quantities of agricultural products. Other stakeholders thought that the entire concept was designed incorrectly from the beginning, including location selection, type of crops, etc. and was doomed to fail.

The greenhouse construction collapsed a year and a half after completion of the activity. According to MOZAIK’s management, the greenhouse collapsed due to a storm followed by strong winds. Many perceive that the destruction of their greenhouse occurred because EkoMozaik was attempting to reduce its high energy costs by reducing the greenhouse’s heating. According to interviewees, the greenhouse collapsed under the weight of snow that had accumulated on its roof due to the absence of heating.

“MOZAIK is definitely the strongest NGO in BiH, but it is obvious that it’s an outsider in the agricultural sector.”

—Other stakeholder

“When the greenhouse roof collapsed, there was no production, and no electricity. I was there with the people who built it, and when they saw the location and the altitude, they increased the number of heating pipes by 50 percent. I don’t know the exact date on which it collapsed. In April there can be a meter of snow here. Later, I heard stories that it had been destroyed by wind. It would have been impossible for wind to destroy the greenhouse without destroying a single tree. The greenhouse collapsed under the weight of the snow.”

—Other stakeholder

“The biggest problem was that 70 percent of total costs went to heating the space. In that situation you can’t get anywhere, especially when your production is so sensitive.”

—Other stakeholder

“It was practically impossible to have that type of production under those conditions. They would ask you to do something at the end, but everything was done wrong at the beginning.”

—Other stakeholder

“The basic elements of the project were strange, to say the least. To build a greenhouse that is meant for lowlands at an altitude of 1,000, and then hope to heat it with kindling ... Later on, I watched what they did there. I know someone who worked for EkoMozaik, and I know that the whole time nobody was thinking commercially. But then they realized that they had made a bad investment, because they were not able to implement their goals on the basis of which they got the project. They couldn’t even realize 50 percent of them. So they started looking for alternatives.”

—Other stakeholder

“The entire concept of the project in Sekovici was flawed. Sekovici is a high-altitude area, and they planned to produce medicinal herbs, aromatic herbs and lavender. Lavender can be produced there, but it grows better in other locations. If they had started in the right way it might have been okay, but the Chief of Party did not involve experts. It was only when they starting assembling the greenhouse that he realized, aha, I need this, I need that, I need this type of expert, I need that type of expert.”

—Other stakeholder

²² Representatives of a non-beneficiary LNGO, representatives of another USAID/BiH activity, representatives of the Sekovici Municipality.

THE FRUIT GROWERS' ASSOCIATION

Finding 26: According to the Association's management team, the activity achieved about 60 to 70 percent of its expected results.

According to the Association's management team, the services provided by the Association have remained the same since completion of the activity, except for Global GAP certification. The Global GAP certification service was introduced during the DGP funded activity. However, demand for the Global GAP certification service was low. A Global GAP certificate is only required for exporting goods to some EU countries. The domestic market and others, including the Russian market, which is the largest, do not require a Global GAP certificate. The main service presently provided by the Association relates to integrated pest management (IPM) and is provided only to fruit producers, since vegetable producers are not willing to pay for it. The Association started to work with vegetable producers in the second year of the project to increase outreach and achieve the expected number of end beneficiaries. During the lifespan of the activity, vegetable producers, unlike fruit producers, received extension advisory services (IPM) free of charge. Vegetable producers do not currently cooperate with the Association.

"We had vegetable producers in the Cooperative, and we bought a sorting machine for them, which may have been one of the conditions ... I would never have included them in the project. They were never members of the Association; they were members of the Cooperative, but they have never been members of the Association. They never said, the agronomist, come and give us pest management services for potatoes and peppers. Or install that weather station with us (Integrated Pest Management uses data on current weather conditions in crop's micro-climate collected by mobile weather stations). They never asked anything. And then when they joined (the project), they wanted to take that machine, because they thought it was theirs. They never gave a single mark (KM) to the Association."

—Large fruit producer and Association member

Q: How did they explain to you what the project was about?

A: I can't say anything, I really can't. I asked the agronomist, what did we get out of that project? We only have you. And he said, 'I really can't promise anything, since when the apples are sold it is difficult to collect payment.' And then he said, 'I would be ashamed to tell you to deliver apples when we can't collect the money.' That was what he told us."

—Apple producer

"I received services, but also I paid for them. The agronomist came, and he sent (SMS) messages about fruit protection. But we stopped the cooperation about two years ago."

Q: During the project, did they provide you with advisory services related to integrated production, production standardization, or GAP certification?

A: To be honest, they did not. Maybe they would have called me, but I don't have a big enough orchard (10-20 dunums) "

—Fruit producer

"I don't know what these people are up to, except when I receive a message about when to spray."

—Fruit producer

"I don't know about the project. The guy who was advising me is still doing it, and I'm still paying him for that service."

—Fruit producer

Finding 27: The submitted list of 62 end beneficiaries indicates that the LNGO achieved less than half of its expected results.

Although the activity's M&E plan set targets of 350 trained farmers, 150 producers using advisory extension services, and 125 Global GAP certified farms, the LNGO provided a list containing only 62 end beneficiaries (Exhibit 26).



Of the 62 producers on the list, the Evaluation Team interviewed 17 end beneficiaries. Except for a small core of larger fruit producers who founded the Association, the end beneficiaries interviewed had little or no knowledge about the activity.

Seven out of 17 end beneficiaries interviewed could barely be considered participants of the activity. When talking about the activity, they referred to it as something they were “told about” or something they “heard about”.

Exhibit 26: Planned and delivered services to end beneficiaries

Activity	M&E Indicators	Plan	List (#) of end beneficiaries received from LNGO	# of end beneficiaries interviewed	# and % of end beneficiaries interviewed who received assistance
Awareness of Integrated Pest Management (IMP) and GLOBAL GAP among target groups to be highly developed	IMP & Global GAP training delivered to 350 farmers		62 farmers	17	6 (35%)
An advisory/extension service to be created, and skills and management practices of agricultural producers to be improved	150 producers use advisory extension services		62 farmers	17	15 (88%)
Fruit and vegetable production to be certificated under GLOBAL GAP	125 farms certified under GLOBAL GAP		62 farmers	17	5 (29%)
Establishment of sorting and packaging machine services	N/A		62 farmers	17	3 (17%)
Creation of an export-oriented brand	A 30% increase in the value of sales in the targeted agricultural commodities market		62 farmers	17	All farmers interviewed faced difficulties with access to markets and sales. 3 out of the 17 farmers interviewed have stopped production (cleared their orchards)

Finding 28: Fifteen out of 17 interviewees reported satisfaction with the extension advisory services they received in integrated pest management (IMP).

Most of the end beneficiaries interviewed received an integrated pest management (IPM) extension advisory service, provided by the Association’s two agronomists for a fee. This service is a core activity of the LNGO, who provided it before the DGP award for the same fee it charged during project implementation. The end beneficiaries valued that service as the most useful one and assessed the work of the two agronomists as extremely professional. However, for most end beneficiaries interviewed, this service was also the only one they received from the LNGO.

Finding 29: Of the 17 end beneficiaries interviewed, only 6 participated in training sessions organized by the LNGO.

Eleven of the end beneficiaries interviewed did not participate in training sessions organized by the LNGO. Some were never invited, and some were invited but did not go for various reasons.

“There were training sessions in Laktasi, but we’re mostly here in the village, so we didn’t go.”
—Fruit producer

“I went once, to Laktasi, to some facility. We went there, but nobody showed up, so we went home.”
—Fruit producer

“They invited us to come to Banja Luka. We were informed about everything, so it was our fault if we couldn’t go.”
—Fruit producer

Finding 30: Of the 17 end beneficiaries interviewed, only 5 used the Global GAP certification service.

Twelve of the end beneficiaries interviewed did not use the Global GAP certification service that the LNGO provided. Most end beneficiaries were small-scale producers who did not consider Global GAP certification beneficial under the existing market conditions.

“I didn’t do it (the GAP certification). Nobody did it here in Novi (Novi Grad), I don’t think ...”
—Fruit producer

“We didn’t get it (the GAP Certificate). We didn’t ask for it, and I don’t know whether or not they were expected to give it to us.”
—Fruit producer

Finding 31: Of the 17 end-beneficiaries interviewed, only 3 used sorting and packaging machines.

Most end beneficiaries interviewed had only heard about the sorting and packaging machines and that there were some problems with it. Some of them had heard that the machines had all been taken by a private company and were used exclusively by that company.

“I knew they got a sorting machine, that they bought it as a Cooperative, but I don’t know from whom they got the money, who sourced the machine, and how they bought it.”
—Fruit producer

“No, we don’t have it (the sorting machine). I don’t know anything about it, or where it came from.”
—Fruit producer

“It was with a private company, that sorting machine. Yes, it was with a private company, and they kept it for themselves.”
—Fruit producer



MCF PARTNER

Finding 32: According to the report from evaluation conducted in 2014, MCF PARTNER completed all planned activities, but did not achieve its expected results (20 SMEs to produce and sell solar collectors; 200 clients to take loans from MCF PARTNER to install solar collectors²³; 800 indirect beneficiaries).

According to Evaluation Report prepared by PRISM Research, “MCF PARTNER has met all duties defined in the award with USAID, except the planned number of loans for solar collectors, ...”²⁴.

One of the findings of the evaluation report was that majority of total number of produced solar collectors was produced by two companies and that four “solar producer beneficiaries” did not produce any solar collectors. Also, half of the “solar producer beneficiaries” stated that production of solar collectors is not a profitable business line and one of the “solar producer beneficiaries” had no plans to continue with production of solar collectors.

Findings of the evaluation report performed by PRISM research are to a great extent in line with findings of this evaluation.

Finding 33: The Evaluation Team spoke to 24 of the 43 solar collector buyers contacted. Of the 24 interviewed, about 25 percent did not install solar collectors.

MCF PARTNER was reluctant to provide a list of its end beneficiaries, explaining that it would be against the Law on the Protection of Personal Data²⁵. During a long email exchange, the Evaluation Team received several lists containing different numbers for end beneficiaries. The final list received from MCF PARTNER contained contact information for 137 end beneficiaries but without their names and addresses²⁶.

After interviewing the first four randomly selected buyers of solar collectors, the Evaluation Team discovered that three of them had taken the loans and used them for a pellet heating system, without installing the solar collectors that were an integral part of the offer. The fourth buyer interviewed from Sarajevo purchased two solar collector systems for water heating and installed them in a primary school and a mosque. Both systems malfunctioned and were dismantled. While scheduling interviews, the Evaluation Team was informed by a few end beneficiaries that PARTNER employees had visited them and asked them to sign a statement of satisfaction with the services provided by MCF PARTNER. The Evaluation Team was requested by USAID to call a larger number of beneficiaries than originally planned and to determine their status.

²³ According to the evaluation report for evaluation conducted by PRISM research, MCF PARTNER managed to disburse 20 out of 200 planned solar collector loans.

²⁴ PRISM Research: Solar Energy as the Future of Sustainable Development: Activity Evaluation Report; February 2014.

²⁵ BiH Official Gazette No. 32/01 and 49/06.

²⁶ It should be noted that the final list contains 137 end beneficiaries, instead of 124 as reported within MCF PARTNER’s Completion Report, which was submitted to USAID on July 10, 2016. The final list includes new loans disbursed after completion of the activity (from July 10, 2016 until May 16, 2017) and from a second round of lending from funding that came from the loan repayments. This evaluation covers the implementation period between September 2013 and September 2016.

Exhibit 27 provides a list of the 43 solar collector buyers contacted. Four buyers were interviewed in person, and 39 were contacted by phone.

Of the 43 contacts, 8 of the phone numbers were either non-existent or incorrect numbers.

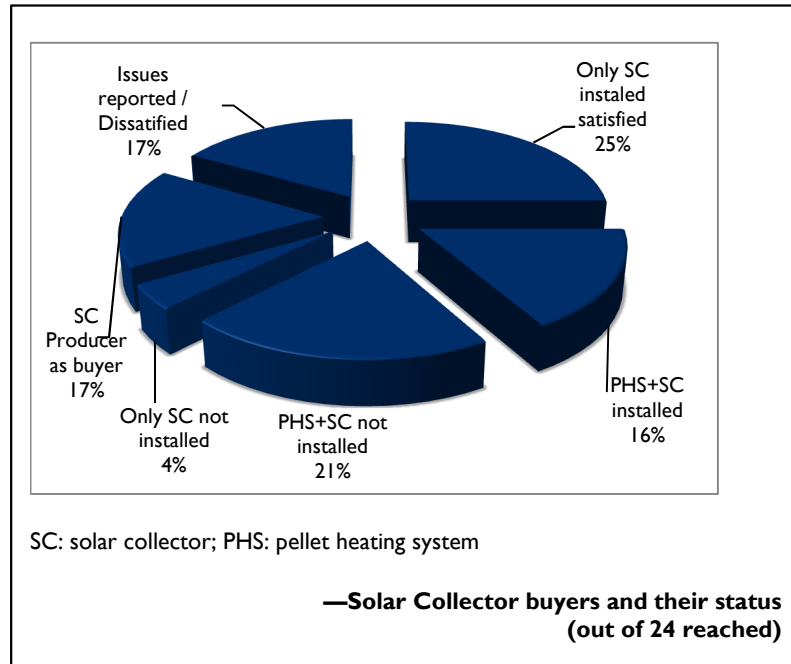
An additional 11 calls were not answered.

Seven of the beneficiaries contacted took loans for solar collectors for water heating. Six of them installed solar collectors and reported satisfaction with the systems and service provided by MCF PARTNER. The seventh

beneficiary did not install a solar collector system due to a lack of funding for installation.

Of the nine beneficiaries who took loans for pellet heating systems (PHS) combined with solar collectors, four installed the entire system (pellet and solar collector), and reported satisfaction with the systems and services provided by MCF PARTNER. The other five beneficiaries installed the pellet system, but did not install solar collectors. The main reason for not installing solar collectors was a lack of funding.

Four beneficiaries reported problems with their solar collector systems. Three were dissatisfied with the systems purchased and the services provided by MCF PARTNER. The fourth reported being satisfied with the system after MCF PARTNER reinstalled it.



“It was a much better deal than with the commercial banks, and I think that the price of a furnace was the same as if it were bought directly from the producer. And in addition, we got a solar collector. The solar collector was practically a donation. But if we installed it, it would only be for heating a small amount of water, and that would require us to buy a large reservoir and put it in the boiler room. And one solar collector to heat all that water ... there is no cost-effectiveness in that.”

—Pellet heating system and solar collector buyer



Exhibit 27: List of solar collector buyers contacted and their status

#	LOCATION	Phone # 1	Phone # 2	COMMENT
Non-existing / incorrect phone numbers				
1	OD Mostar	(036) xxxx60	(063) xxxx32	Numbers not in use (both numbers)
2	OD Mostar	(063) xxxx64	(062) xxxx98	No reply: one not in function, and one no reply
3	OD Lukavac		(061) xxxx95	Number not in use
4	OD Hadžići	(070) xxxx59		Nonexistent phone number
5	OD Lukavac	(035) xxxx26		Nonexistent phone number
6	OD Lukavac	(035) xxxx09		Nonexistent phone number
7	OD Živinice	(035) xxxx89	(061) xxxx80	Nonexistent phone number
8	OD Živinice	(070) xxxx49		Incorrect number
No Reply				
9	OD Kiseljak		(063) xxxx03	No reply
10	OD Kneževo		(065) xxxx68	No reply
11	OD Mostar		(063) xxxx12	No reply
12	OD Vogošća	(062) xxxx12	(061) xxxx58	No reply (both numbers called)
13	OD Tuzla I		(061) xxxx72	No reply
14	OD Tuzla II		(061) xxxx07	No reply
15	OD Kalesija	(035) xxxx43	(062) xxxx99	No reply
16	OD Živinice		(061) xxxx51	Not available
17	OD Tuzla I		(061) xxxx92	No reply (called twice in 15 days)
18	OD Gradiška		(065) xxxx22	Not available: on vacation
19	OD Ilidža	(061) xxxx91	(062) xxxx16	Reacted angrily, not willing to talk
Only solar collector – installed – satisfied				
20	OD Bijeljina	(055) xxxx83	(065) xxxx61	2 solar collectors installed – satisfied
21	OD Bihać		(061) xxxx28	6 solar collectors installed – in function – satisfied
22	OD Mostar	(036) xxxx07	(063) xxxx43	3 solar collectors installed – satisfied
23	OD Ilidža	(033) xxxx70	(061) xxxx19	4 solar collectors installed – satisfied
24	OD Hadžići	(033) xxxx68	(063) xxxx72	10,000 BAM installation of 1 large solar collector – satisfied
25	OD Sarajevo	(033) xxxx52	(061) xxxx02	2 solar collectors installed – satisfied
Loan for pellet heating system (PHS) + solar collector – solar collector installed - satisfied				
26	OD Jelah	(032) xxxx50	(061) xxxx50	Loan for PHS + solar collector – installed – satisfied
27	OD Cazin	(037) xxxx46	(061) xxxx29	Loan for PHS + solar collector extra – installed – satisfied
28	OD Jelah		(061) xxxx25	Loan for PHS + solar collector extra – installed – satisfied
29	OD Gračanica	(035) xxxx66	(062) xxxx74	Loan for PHS + solar collector extra – installed – satisfied
Solar collector producers and producer's family members listed as buyers				
30	OD Hadžići	(033) xxxx80	(061) xxxx84	Producer of solar collectors listed as buyer – is not on the list of producers
31	OD Zenica		(061) xxxx38	Producer's family member listed as buyer
32	OD Zenica		(061) xxxx40	Producer's family member (wife) listed as buyer
33	OD Breza		(061) xxxx45	Producer's family member listed as buyer
Loan for pellet heating system (PHS) + solar collector – solar collector not installed – lack of funds for installation				
34	OD Tuzla II	(035) xxxx61	(062) xxxx27	PHS + solar collector not installed – no funds for installation
35	OD Kalesija	(035) xxxx22	(061) xxxx59	PHS + solar collector not installed – no funds for installation
36	OD Kalesija	(035) xxxx60	062 xxxx41	PHS + solar collector not installed – no funds for installation
37	OD Živinice	(035) xxxx33	061 xxxx40	PHS + solar collector not installed – no funds for installation
38	OD Živinice		061 xxxx03	PHS + solar collector not installed – no funds for installation
39	OD Visoko	(032) xxxx24	(062)xxxx38	Only solar collector system – not installed (lack of funds for installation)
Dissatisfied Customers – Issues				

40	OD Živinice	(070) xxxx58	(061) xxxx71	Solar collector installed – not satisfied with services – not in function after two years – no guarantee provided – installation cost 2,000 BAM – user Ahmet Ahmedbegovic – installation performed by FINESA company
41	OD Sanski Most	(052) xxxx11	(065) xxxx13	Matikosa Dragna – solar collector loan – not installed, not all elements delivered for installation – unprofessional service – 2,890 BAM of loan repaid
42	OD Sarajevo	(063) xxxx70	(061) xxxx72	Two systems of solar collector – one for the primary school one for the mosque – neither in function – dismantled – suing PARTNER
43	OD Gračanica		(062) xxxx31	22,000 BAM pellet heating system + 7 solar collectors installed by NIKOM Tuzla – system not in function after 3 months – after 8 months, no assistance from MIKOM – after that called PARTNER, who hired a company from Kalesija to replace the system – now the system is in function – SATISFIED

“SOLAR PRODUCER BENEFICIARIES”

Finding 34: According to the Completion Report submitted by MCF PARTNER, the activity achieved its expected results by “enabling 20 local SMEs to develop the capacity for the sustainable production of solar collectors”²⁷.

MCF PARTNER provided the Evaluation Team with a list of 19 “solar producer beneficiaries”. The Evaluation Team tried to contact all 19 and managed to interview 12 (Exhibit 28).

²⁷MCF Partner; Solar Energy as the Future of Sustainable Development, Completion Report; July 10 2016.



Exhibit 28: “Solar producer beneficiaries” interviewed and their status

Producer/ # of employees	Production status	# of solar collectors produced	Sale channels	Core business
ZI MI doo Tuzla/4	Still producing but significantly reduced (on-demand basis)	400	2 through PARTNER/producing for other “solar producer beneficiaries”, pellet heating system producers and for projects financed by international organizations	No
Finesa doo Tuzla / 5	On-demand basis (from inventory)	100	80 through PARTNER/20 direct sale	No
MIKOM doo Tuzla/8	Reduced (low demand)	about 100	20 through PARTNER/80 direct sale	No
Energomont Modrica/N/A ZTR	Still producing	about 20	3 through PARTNER/Others direct sale	No
Elektrotehnika Frigo s.z.r. Zenica	Stopped	About 40	2 systems sold directly	No
SEOS doo Pazarić/8	Stopped	4	2 through PARTNER/2 direct sale	No
FAKOM doo B. Luka/8	Stopped (never produced)	1	About 15 through PARTNER/N/A	No
Metal Crom doo/11	Stopped (never produced)	0	0	No
MINO doo Ilijas/3	Stopped 2 years ago	10	2 systems through PARTNER	No
Termoelektro Gradiska/3	No clear answer (reduced)	30	0 through PARTNER/30 direct sale	No
Limarija Breza/N/A Likic	No production	N/A	0	No
HDI Semizovac/8	Reduced/stopped	about 20	N/A	No

Finding 35: Solar collector production was/is not the core business of those recorded as “solar producer beneficiaries” in MCF PARTNER’s documentation.

All solar collector producers interviewed stated that the production of solar collectors was/is their side business. Ten out of twelve 12 solar producer beneficiaries have fewer than 10 employees, and sales of solar collectors represent between 1 and 10 percent of their total revenues. Eight out of 12 solar producer beneficiaries stated that it was not possible to turn that side of their production into their major business line due to the weak market and lack of demand.

“No, it is not our core business. It could be, if there were a demand, but the demand is very weak. There is interest in information, but it’s difficult to close a deal.”

—Solar collector producer (MIKOM)

“It was our side business. It started with that project, but you know what the market’s like for solar systems—it’s small, and the product is very expensive for our people ... and, for example, a BOSCH solar collector is cheaper than one produced by us. You have to import materials for production, everything is imported, so we can’t produce it for less than 650 KM.”

—Solar collector producer (FINESA)

“There is no activity. All of us have businesses to run. All of these companies are private, small ones ... we have another core business, and we’re focused on that. There’s no time to deal with another business. These aren’t large companies with staff available to dedicate themselves exclusively to this side business.”

—Solar collector producer (LIKIC)

Finding 36: All “solar producer beneficiaries” interviewed reported a weak demand for solar collectors.

All “solar producer beneficiaries” interviewed have reduced their level of production to a minimum, or stopped it completely since the completion of the Solar Energy project. Those who continued with production are producing solar collectors on an as-needed basis. The main reason for stopping or reducing production was a low demand.

“I did not sell a single one. In our town, Breza, everyone uses coal and wood, so here ... I don’t know, it’s a poor area. You talk to people, and they accept everything, but they say, ‘I need to install new windows, I need to put up a façade ...’”

—Solar collector producer

“The project targeted individual households that don’t have the kind of money where they can invest 5,000 KM and see a return in 5 years. It’s difficult with individuals. But public sector institutions, I think we could do more there ...”

—Solar collector producer

Finding 37: Six out of 12 “solar producer beneficiaries” interviewed did not continue with the production of solar collectors.

“Solar producer beneficiaries” who stopped production returned to their core businesses because the production of solar collectors was not profitable.

“People are losing interest, primarily economic interest, but also patience. They can’t make a living out of it, so it has to be a parallel activity.”

—Solar collector producer

“We started first, and we were probably the ones who were most interested in it. Then we completed the first projects, and somehow we lost interest. Once the project was over we had much more work with windows, so we went back to what we made a living from.”

—Solar collector producer (HDI)



Finding 38: “Solar producer beneficiaries” reported that locally produced solar collectors were not competitive in the market.

“Solar producer beneficiaries” estimated the lowest possible price of a locally produced solar collector at 600 KM. They also reported issues with lower-priced solar collectors imported from China, Bulgaria and Greece. Additionally, locally produced collectors cannot compete with the prices of the major producers, such as BOSCH and Vaillant.

“The future is difficult. Now there are a lot of these solar collectors. I think China is the major market now. It is difficult to compete with that ... The price is almost double. Our solar collector is 600 KM and their is 300 KM. Then there are these big brands, such as Vaillant ...”
—Solar collector producer

Finding 39: “Solar producer beneficiaries” reported that they sell more solar collectors outside of their cooperation with PARTNER, as a typical buyer does not need a loan, especially not from a microcredit organization.

Twelve of the “solar producer beneficiaries” interviewed reported that they sold about 450 solar collectors directly, outside of their cooperation with MCF PARTNER. The reported numbers of collectors that producers sold directly are estimates by the “solar producer beneficiaries” interviewed.

The largest “solar producer beneficiaries” sold most of their products directly to other solar producer beneficiaries, pellet heating system producers, households with high purchasing power that did not need a loan, public institutions and organizations, and projects financed by international organizations.

“We produced about 400 solar collectors. Our sales through PARTNER were small ... we cooperated with our partner companies from the Association (EkoSolar). When they were not able to produce, we produced for them. We also produced and sold a lot of collectors for projects financed by international organizations.”
—Solar collector producer
“I can’t remember the exact number, but we produced about 30 units. We did not sell a single solar collector through PARTNER’s credit line. It was mainly the case that our clients already had money. I told them that there was a credit line available, but they didn’t want a loan. These are people who work aboard, or have some additional money, and they don’t want to deal with loans. They just say ‘please do it, and I’ll pay you,’ and that’s it ...”
—Solar collector producer
“I can’t remember the exact number, but we produced about 100 units. We didn’t sell a lot (through PARTNER’s credit line), maybe about 20. The rest we sold directly. The largest project was the Heart Clinic, where we installed a system with 40 solar collectors.”
—Solar collector producer

NESTO VISE

Finding 40: According to the Performance Evaluation Report²⁸, NESTO VISE achieved all targeted values of output level indicators.

The Performance Evaluation Report²⁹ stated that the evaluation’s main challenge was comparing the expected results to the large number and range of different end beneficiaries and activities and their various multiple objectives. Another challenge included in the Report was that “beneficiaries were not always able to distinguish Nesto Vise activity from the activities of other organizations (such as GiZ, IFAD, USAID/Sida FARMA) active in the area with the same or similar activities (i.e. training)³⁰”. However, the report stated that the activity addressed the most important needs of end beneficiaries. According to the report, most end beneficiaries had a positive opinion about the training and reported improvements in knowledge and skills. This activity also increased the employability and employment opportunities for 525 volunteers. The Report highlights as a success that three interns got full-time jobs³¹.

Finding 41: NESTO VISE reached over 3,000 end beneficiaries. The Evaluation Team received an end beneficiary database containing 2,632 individual beneficiaries, 45 legal entity beneficiaries, and 525 volunteers.

The NESTO VISE end beneficiary database has the same issues as the databases of other implementing LNGOs: unrecorded intensity of assistance/participation of beneficiaries, unclear definition of “beneficiary”, multiple counting within and among assistance types, and incorrect or missing contact information.

The Evaluation Team interviewed 22 randomly selected beneficiaries. Exhibit 29 presents expected results of the activity, a list of services provided to end beneficiaries, and satisfaction of end beneficiaries with provided services.

Exhibit 29: Number and type of end beneficiaries interviewed

Expected results	Type of service provided	# of beneficiaries interviewed	# of beneficiaries satisfied
1,500 farmers strengthened their capacities to implement GAP, undertake drought adaptation measures, and diversify production	Certification SME	3	3
	Seed distribution	5	5
	Small grants	2	2
425 farmers, unemployed youth, and rural women received practical training in modern agricultural practices, and were placed in internship and volunteer programs	Volunteering	5	5
	Training participants	7	7

²⁸ Ivica Sviric and Himzo Tule; Performance Evaluation of Agriculture and Agribusiness Microenterprise Development in BiH; August 15 2016

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.



Finding 42: All end beneficiaries interviewed expressed their satisfaction with the work of the implementing LNGO.

However, due to the large number of end beneficiaries, the majority of those interviewed only received a one-off service. For example, five beneficiaries who were given seeds had no other relationship with the project.

Furthermore, what constituted an end beneficiary was not clearly defined. Among the randomly selected end beneficiaries that the Evaluation Team interviewed, two were students from Banja Luka, who found out about the farm on the internet and visited it for 2 hours, another was a student from Sarajevo, and some were pensioners, or unemployed women with no relationship to agriculture. Another was an unemployed woman who participated in training for writing business plans, and another was the company Agrimax, which is a close business partner of the LNGO. NESTO VISE management deliberately applied an open door approach to include large number of beneficiaries.

Two interviewed recipients of small grants (400 BAM) expressed their satisfaction with the assistance they received.

“I worked on their farm for a month, and the next month I worked with their partner company, Agrimax. I covered a lot of topics, and learned a lot. Then I stayed at Agrimax. It really helped me a lot, I’m very satisfied.”

—Volunteer

“We got peppers. They delivered them to our home by truck. They took a picture, and we signed the necessary documents. Later, they came again to see the yield and to take more pictures. We received no other assistance, only those peppers.”

—Seed recipient

“I and a few of my fellow students ... we went to Mostar and established good contacts. Nothing came out of it, but we heard some interesting things.”

—Student from Banja Luka

“I heard about them from my friend from Mostar and I went to one of their training sessions. I’m satisfied with everything.”

—Participant of 1-day training

“I worked there two months as a volunteer, and then I got a full-time job with NESTO VISE. I still work for them.”

—NESTO VISE employee

“Could it be better quality? You can always work better if you reduce the numbers of beneficiaries and work with the same people on multiple things. That’s a completely different approach, and we like that approach in general. But we had to justify the amount of money we were given. So this was open. People could come for all the training, or to one session. It was offered, and the response had to come from the community.”

—NESTO VISE management

Finding 43: Other stakeholders³² familiar with NESTO VISE’s work and their approach believe that the overall effect of their approach was weak.

Three out of four other stakeholders stated that, due to the large number of beneficiaries, the different types of assistance given, and the coverage of a large geographical area, activity services were spread too thinly.

They believe that more could have been achieved with the integration of services provided, more focus, and a smaller number of beneficiaries.

“It was a big project, which lasted for a certain number of days, but there was no effect. We asked ourselves whether the goal was to make a difference in the field, or to support the organization. There was no integration with agricultural producers in the field.”

—Other stakeholder

“We advised them that we thought that the grants were too small, that the number of beneficiaries was too big, and that the project would be spread too thinly.”

—Other stakeholder

“We planned to work directly with small- and medium-sized farms, and for our agronomist to visit them to detect issues. We would provide assistance, and farmers would receive continuous support that would be complemented with grants for seeds. That was our idea, but it fell apart during negotiations (between NV and USAID), because the funding did not allow the disbursement of substantial funds ... At the beginning, we thought that it would be a customized package (of services) for every individual (farmer). We thought it would encompass the entire system, from irrigation to seeds ... we assumed that people would be in different phases of production, but we ended up donating seeds to the value of 400 BAM.”

—Other stakeholder

Finding 44: The planned provision of one-to-one extension advisory services to individual farmers was stopped due to changes in legislation. NESTO VISE tried to substitute provision of extension advisory services with training.

As one of its critical types of assistance, the activity design envisaged the provision of on-site consultation to 1,500 farmers. However, legislation introduced in 2014 in FBiH banned NGOs and other non-certified organizations from providing extension advisory services to agricultural producers. Planned one-to-one on-site advisory services were replaced with training sessions. This change significantly affected the planned approach of assistance to farmers and the overall effects of the activity.

EVALUATION QUESTION 5: TO WHAT EXTENT HAS THE PARTNERSHIP WITH USAID STRENGTHENED OR OTHERWISE CHANGED THE CAPACITIES OF THESE SIX LNGOs? ARE THESE FORMER DGP GRANTEES SUSTAINING THEIR DEVELOPMENT EFFORTS, AND, IF SO, HOW?

Finding 45: USAID/RSC/RFMC Budapest assessed the capacities of the six LNGOs through Pre-Award Surveys and focused on financial and administrative management capacity.

Although critical to the successful implementation of activities, program management capacity and technical (subject-matter) capacity were not assessed. The financial position and business management capacity of applicants was not assessed. Insight into the pre-award financial positions of the applicants and an assessment of the impact that awarded funds might have upon their financial positions would have been vital. Insight into the pre-award business management

³² CSOs, former NESTO VISE employees, agriculture cooperative.



capacities of the implementing LNGOs is also vital since three out of six projects were similar in design to business startups (MOZAIK, PARTNER, FRUIT GROWERS'). Thus, the technical capacities for such entrepreneurial endeavors needed to be a pre-condition for implementing these interventions.

Finding 46: Most risks that materialized during implementation of the activities were identified by USAID/BiH during the application phase.

Some of the issues identified were:

- MI-BOSPO's lack of experience in establishing business networks.
- A lack of clarity between CRP's proposed objective (10,000 farmers gaining the opportunity to apply adaptive solutions) and the number of actual beneficiaries (200 farmers) and concern that requested funds were not sufficient for achieving significant and sustainable changes.

"At that time, we (USAID/BiH) still had a large agriculture intervention implemented by a typical USAID implementer (FARMA—that was used by USAID/BiH to assist MOZAIK), we could count on for support. If we hadn't had FARMA we would have assessed all those risks (risks related to the MOZAIK's proposed activity), and decided it was too risky. At that time FARMA was integrated, from the field to the markets."

—USAID BiH Mission staff

- FRUIT GROWERS' weak and poorly articulated sustainability strategy and dependence on the availability of public funds. The LNGO's (and its management's) capacity to oversee development programs was unclear.
- PARTNER's limited understanding of demand and of the potential for developing a vibrant solar collector market, as well as an absence of information on the technological aspects of production³³.

The risks identified in the activity design of several organizations that related to a lack of technical (subject-matter) expertise were considered manageable, due to the hope that they could be mitigated by the support and active involvement of other ongoing USAID BiH projects.

³³ On June 10, 2011, MCF PARTNER received a USAID Request for Revised Application (RFA) Number: M/OAA/GRO/EGAS-DGP-10-01 "Development Grants Program" stating that the revised application still does not strongly address the demand side for solar collectors. To overcome these uncertainties and incomplete market research, USAID proposed splitting the project in two phases. The USAID Request stated that "Under phase I, the market research should determine whether there is sufficient demand by potential users for solar collectors and whether there is enough interest among SMEs in target market sector(s) to meet the supply side and start the production. Phase I market research shall outline the viability of broadening the supply base in relationship to the demand for solar collectors." Based on the market research results conducted by PRISM Research (Study: Market Research for Project Assignment: "Increasing Utilization of Alternative Energy Sources"; January 2012.), the USAID's Grant Officer approved commencement of Phase II of the activity.

Finding 47: AORs had a significant role in helping LNGOs achieve expected results.

Deficiencies in activity designs, lack of program management capacity within the implementing LNGOs, and lack of technical (subject-matter) expertise required heavy and substantive AOR involvement. USAID/BiH also provided substantial technical assistance to some DGP activities by engaging the resources of other ongoing USAID/BiH projects. For example, FARMA’s assistance to MOZAIK’s activity is estimated at \$200,000.

Finding 48: The capacity (or lack of thereof) of the implementing LNGOs to gain buy-ins from BiH governments and to adjust their operations to the legal requirements had a significant impact on DGP activities.

In all six projects, achievement of the expected results and the sustainability of development efforts depended on buy-ins from BiH governments, including various types of anticipated government support and issues related to the business enabling legal framework. These factors were often neglected in the activity design and risk assessment phases, and, in some cases, negatively affected implementation (e.g. CRP, FRUIT GROWERS’, NESTO VISE, MI-BOSPO).

Finding 49: Three of the six LNGOs completely shifted their organizational strategic development visions and focuses during or after the interventions.

CRP abandoned the agricultural sector to focus on energy efficiency. PARTNER adopted a new corporate strategy, also with a focus on energy efficiency. MOZAIK refocused its strategy from agriculture to youth, innovation, and the support and establishment of innovative startups.

MI-BOSPO

Finding 50: MI-BOSPO’s pre-award organizational capacity was considered strong.

USAID/BiH Mission considered MI-BOSPO’s application one of the best received, due to the organization’s extensive client base and in-depth knowledge of the barriers to development of women in entrepreneurship. MI-BOSPO did not provide non-financial services before receiving the DGP award.

“The MI BOSPO microcredit organization, which has 18–20,000 clients, proposed something that was not their core business, but since they worked a lot with women, we assumed that they knew that.”

—USAID/BiH Mission staff

“We did not provide non-financial services. We planned them, but we did not provide them.”

—MI-BOSPO management

However, MI-BOSPO’s strong organizational capacities were deemed sufficient to mitigate the identified risk. Its coverage of a large area of BiH (with 25 branch offices and 140 employees) was considered an important asset for the development of the Women’s Business Network through the establishment of 25 WBN clubs. Past performance involving bilateral and multilateral international organizations and the provision of financial services to women entrepreneurs in more than 70 Municipalities in BiH, as well as over 80,000 loans disbursed to women, were considered important factors and insurance for the successful implementation of the activity.



The Pre-Award Survey Report³⁴ also concluded that MI-BOSPO’s financial management capacity, accounting system, and internal controls were adequate to protect the US Government’s interests.

Finding 51: MI-BOSPO’s financial position was weak and could not bear the impact that the accounting procedures of USAID funds had on its financial indicators.

As a financial institution, MI-BOSPO is legally required to have positive financial results. Funds received under the DGP award were treated as

“Since it was the economic crisis, colleagues from the Banking Agency were considerate, but they classified USAID funds as donated capital. So because these funds were not considered operational revenues, spent through costs, we could not use them effectively. Since they were considered part of our capital, they had a negative effect on our financial position, and we could not manage....”

—MI-BOSPO management

donated capital, which had a negative impact on MI-BOSPO’s financial indicators and triggered the intervention of the Banking Agency. To reduce the negative impact of USAID funds on their financial indicators, MI-BOSPO significantly reduced the burn-rate of these funds. Therefore, at the end of the project, MI-BOSPO had withdrawn \$500,000 less than the total estimated funds for the award.

Finding 52: Fifteen MI-BOSPO staff were engaged in activity implementation, which had a strong impact on MI-BOSPO’s operational efficiency.

Given its small staff, MI-BOSPO explained to the Evaluation Team that they cannot afford to have 15 staff working on development activities (non-earners), i.e. outside of MI-BOSPO’s financial services.

“Fifteen people were engaged in the project, and that was a big blow to operative efficiency. That was the biggest reason why we were not able to invest a lot of our own funds to continue implementation.”

—MI-BOSPO management

Finding 53: MI-BOSPO is not sustaining its development efforts, and, according to MI-BOSPO’s management, only one MI-BOSPO employee is currently trying to keep in touch with end beneficiaries and organize some activities such as project proposal writing, awareness raising, and trade fairs organization via the organization’s Facebook page.

MI-BOSPO did not continue to provide WBN members with information on access to finance after completion of the activity.

“Now they know where to access information, because we educated them. Now we are working with them on writing project proposals.”

—MI-BOSPO management

MI-BOSPO did not continue with mentorship activities after completion of the activity.

“We are no longer providing mentorship. And that was the most popular activity, because they (mentors) were receiving project money for providing mentorship services.”

—MI-BOSPO management

³⁴ Aida Durakovic, Istvan Nagy, Chuck Szkalak; Report on the Pre-Award Survey of the MI-BOSPO Microcredit Foundation; USAID/RSC/RFMC Budapest; July 2010.

One MI-BOSPO employee keeps in touch with WBN club members and has managed to organize five trade fairs since completion of the activity.

“I still work with them, and some volunteer as mentors. I teach them, and although we don’t have money we use the advocacy process within communities to raise awareness in communities. We are selling the idea that it is important to support women in entrepreneurship. To date, I have organized five big trade fairs.”

—MI BOSPO management

MI-BOSPO did not continue with advocacy activities after completion of the activity.

“We are a financial institution, so we cannot work on advocacy. That is why it was important to establish the WBN.”

—MI-BOSPO management

MI-BOSPO did not continue with activities related to value-chain development, nor was this activity successfully completed during the activity’s lifespan.

*“Q: What was the most difficult part to implement?
A: Market linkages: not trade fairs, but value chains. I don’t know whether we succeeded or not.”*

—MI-BOSPO management

MI-BOSPO will not continue with the provision of non-financial services unless changes are made to the legal framework or the organization restructures and registers as a foundation. MI-BOSPO regrets that regulatory agencies did not have a greater understanding of the activity.

MOZAIK

Finding 54: At the time of application, no weaknesses were identified regarding MOZAIK’s capacities.

USAID/BiH Mission considered MOZAIK’s application as the best among all received DGP applications, since it demonstrated a clear understanding of the development challenges specific to the region and a feasible technical approach that covered USAID’s main areas of interest, such as: the application of the social enterprise model; assistance to rural women and promotion of their economic independence; environmentally sound agricultural (organic) production; and the improvement of inter-ethnic relations between Bosniak and Serb communities.

MOZAIK’s strong administrative and organizational capacities and the quality of its proposed team members also contributed to the MOZAIK application’s top ranking. Past performance related to social entrepreneurship (the EkoMozaik company) and existing honey and herb production were also considered important assets.

The Pre-Award Survey Report ³⁵ found that Mozaik’s financial management capacity, procurement policies and procedures, personnel management, and information systems were adequate to manage USAID funds.

Finding 55: MOZAIK’s post-DGP capacities remained the same as before the DGP award. The organization had strong pre-DGP administrative and financial capacities and limited business and program management capacities in the agricultural sector.

³⁵ Chuck Szkalak, Report on the Pre-Award Survey of Mozaik Community Development Foundation; USAID/RSC/RFMC Budapest, January 2010.



According to the MOZAIK’s management, the most difficult lessons they learned were about the management of agricultural businesses (economic impact of location, seasonality of business, etc.) and the functioning of agricultural markets in BiH during the DGP activity implementation. These lessons initiated the development of MOZAIK’s new long-term strategy. This strategy aims to achieve greater financial independence from donor funding, to open 500 youth startups, and to invest in 1,000 business ideas by 2025. To increase its capacity for the implementation of the new strategy, MOZAIK recruited 30 percent more staff, all from the private sector. Fundraising was reoriented from EU and USAID donor funding toward funding from private foundations, investors, and benefactors, and BiH municipalities.

“Our goal is to have at least 1 million BAM profit from our companies by 2025. In our new strategy, we are focused primarily on youth: 18–35 year-olds.”

—MOZAIK management

“I would say that this (DGP) grant contributed, in that we developed a new strategy. We were not aware, and did not completely understand, the concept of social entrepreneurship the way we understand it today. Thanks to this grant, our first company EkoMozaik learned difficult lessons on how to do business in an honest way in BiH’s business environment.”

—MOZAIK management

“One of the biggest lessons we learned was about the market, and we survived it. We had huge problems with location, the nature of the business, seasonality, issues with insurance companies, etc. We overcame it all, but those lessons learned actually awakened us... they grounded us and our idealism.”

—MOZAIK management

Finding 56: Due to inadequate technical expertise and knowledge about the agricultural business and markets, production was frequently shifted from one type of crop to another during DGP implementation.

Deficiencies in activity design and a lack of technical expertise and knowledge about the agricultural business and market resulted in continuous experimentation with production types. The activity started with a focus on organic production, which it then abandoned to turn predominantly toward non-organic production. The products shifted from lavender to medicinal herbs, to aromatic herbs, to flowers, to cucumbers, to tomatoes, to carrots.

“From the very beginning of the project they experimented. They didn’t have a clue what could be done and what could not. That was a huge mistake, as an enormous amount of money was invested without any research or preparation.”

—Other stakeholder

“By August 2013, EkoMozaik had reached 40 percent of its sales target from the greenhouse, exceeded its sales targets in apiary, and was about to start the sale of produce from open fields. They now expect that the next round of sales will come primarily from open field production, where EkoMozaik has planted carrots, onions, spring onions, beans, and peppers. These sales will be supported by continuing greenhouse production (lettuce, radishes, tomatoes, peppers, winter lettuce), and apiary products.”

—MOZAIK’s Project Evaluation Report

MOZAIK’s Project Evaluation Report also found that EkoMozaik had difficulties finding qualified staff and properly managing the activity³⁶.

“The lack of a qualified, expert labor force in BiH did on occasion delay activities and postpone expected results. Some of the problems were caused by the program design, such as the requirement to hire a female agronomist with experience in greenhouse production, who was willing to relocate to Sekovici.”

—MOZAIK’s Project Evaluation Report

Finding 57: MOZAIK’s Project Evaluation Report found that the activity was subject to political risks caused by the relationships between the two ruling parties in Sekovici Municipality.

³⁶ Dario Vins and Sabina Dervisefendic; Evaluation, The Empowerment of Women through Farming; September 2013.

Political risks materialized in delays to land concession and reconstruction and use of the road to Bisina (the greenhouse’s location). The activity also did not manage to get the support it expected from two other municipalities to reach the target size of arable land. Consequently, the sustainability of the piloted social entrepreneurship model depended on gaining buy-ins from multiple local government units.

Finding 58: The EkoMozaik company still exists, but it operates under a new business model (cooperative).

Instead of hiring seasonal workers, EkoMozaik now cooperates with 120 families in 19 municipalities to produce strawberries and raspberries.

CRP

Finding 59: The Center for Development and Support (CRP) was and still is considered one of the LNGOs in BiH with the strongest capacity for implementing development projects.

At the time of application for DGP award, no weaknesses were identified related to CRP’s capacities.

CRP and NESTO VISE’s experience working with international donors in BiH, the size of their previously implemented projects (up to €772,380), their experience in the agriculture and agribusiness sector, and their extensive cooperation with agro-cooperatives were considered sufficient evidence of the relevance of their previous experience.

Finding 60: The four key CRP staff who managed the activity are no longer with the organization, meaning that CRP’s capacities in the agricultural sector are reduced. CRP no longer works in the agricultural sector, and agriculture is not its strategic focus.

The focus of the organization is closely linked to the professional interests of its employees. At the time of application for DGP award, some CRP staff were interested in global warming and agriculture. Currently, no one in the organization is interested in those areas.

The main focuses of the organization are energy efficiency and renewable energy sources.

Finding 61: The sustainability of development efforts that CRP implemented under the 2010–2013 DGP depended heavily on gaining buy-ins from BiH governments, which did not materialize.

Development efforts related to drought adaptation were not sustained after activity completion. CRP failed to gain government buy-ins, and drought adaptation measures were not adopted by governments or institutions at any level. According to CRP, the only success in this segment of the activity was that the

“I see sustainability within that ministry (RS), and through individual contacts where they expressed a need for demo farms. That’s where I see effects.”

“In FBiH, there are a lot of problems, because of the cantons, and their Ministries for Agriculture. We were close in Tuzla Canton, we were almost ready, we had the decision and the subvention program, but at the moment when they should have published it in the Official Gazette they didn’t. But it was ready.”

—CRP management



RS Government recognized investments in irrigation systems as capital investments eligible for a 50 percent return (subvention).

THE FRUIT GROWERS' ASSOCIATION

Finding 62: The **FRUIT GROWERS' ASSOCIATION** had an underdeveloped pre-award capacity for the management of development programs.

The **FRUIT GROWERS' ASSOCIATION's** only previous experience with USAID before the DGP award was in capacity of beneficiary of the USAID/BiH LAMP project³⁷, during which they were given a projector and a projector screen. Its only previous experience with other international organizations was with GTZ, which helped them with the process of establishing the Association, promoting it, and educating its management staff and producers. After the completion of the DGP activity, the Association did not have any further cooperation with USAID. **FRUIT GROWERS' ASSOCIATION** has had minimal

*“The Survey Team finds that the **FRUIT GROWERS' ASSOCIATION's** financial management capacity, accounting systems, and internal controls, after considering and incorporating the recommendations (to open a US Dollar denominated bank account; to prepare financial statements on a monthly basis; to develop time sheets and record hours worked per day and by project; to prepare earnings and leave statements to depict the net and gross amounts of compensation, and provide annual leave and sick leave balances to the employees on a pay period basis; to modify travel policies; to conduct operational and financial monitoring on a quarterly basis), will be considered minimally adequate to provide reasonable but not absolute assurance that USAID funds will be properly administered. Should the Association become a direct grantee of USAID funds, it should be required, as a Condition Precedent in the Award, to modify and strengthen its administrative, financial and management policies, procedures and practices within 120 days of the award date.”*
—Pre-Award Survey Report¹

experience working with international organizations, and that experience was not sufficient for it to develop the capacity needed for implementation of the proposed activity. At the time when the LNGO submitted its application for DGP, the proposed staff had no or limited experience in managing agricultural development programs.

Finding 63: The **FRUIT GROWERS' ASSOCIATION** did not have sufficient technical capacity and resources to implement the activity, and its sustainability strategy was dependent on the future availability of the RS Government funds.

³⁷ The Linking Agricultural Markets to Producers activity (LAMP) aimed to foster economic growth through improving competitiveness of agriculture and agribusiness sectors. The LAMP activity created new farmer-to-market linkages along the value chain.

The entire concept of this application was based on the provision of all services to fruit producers in one place. Training, extension advisory services, a warehouse and cooling facility, and sorting and packaging machines were all supposed to be made available to fruit producers at one location. Since the Association did not have its own financial resources to build such a facility, the entire concept relied on support from the RS Government to finance its construction. USAID/BiH recognized the inherent risk in the project design’s heavy dependence on external support during the application phase.

“The RS Government was expected to provide a storage and cooling facility, but that did not happen. I think it was even in the contract, it was planned as their cost-share ...”

—USAID BiH Mission staff member

“The problem was that the Government did not enable us to do what was planned, to continue. First they denied us subsidies, then they took VAT for the machines. We still own that land where we planned to install it all, but the Government did not allow it. I don’t know how many subsidies we needed to receive for the machines. We needed to build a facility and put everything there, and make it all work. However, there was no understanding from the Government, so nothing happened. How can we move forward now? Will we be able to, or not? It remains to be seen.”

—Association member

Finding 64: The cooperative linked to the FRUIT GROWERS’ ASSOCIATION was in a difficult financial position before the start of the activity.

According to the Association members interviewed, the cooperative established and owned by the Association could not collect receivables for the goods sold, and consequently could not pay its fruit producers. The Association hired an external cooperative manager and signed a contract in which the manager’s bonuses were linked to the quantity of fruits put on the market, and not to receivables collected. The issue of debts to producers and the low rate of receivables collected existed before the DGP award.

“We started with the cooperative, and the cooperative worked until the end of the project. Then it closed, still owing money to producers. The first mistake with the Cooperative was that we appointed a director who was awarded based on the quantities of products put on the market rather than the amount of money collected for goods sold.”

—Large-scale producer and Association member

“The director changed before the beginning of the project, maybe sometime during 2009, when it all that started and we didn’t know what he was doing. Or we knew, but we let it go, thinking something would happen...”

—Large-scale producer and Association member

“We had a cooperative that took goods from us during implementation of the project, but when the project was completed, it went bankrupt, it closed down.”

—Large-scale producer and Association member

Finding 65: The FRUIT GROWERS’ ASSOCIATION is currently in survival mode.

According to the Association’s management team, the Association had over 100 members before the DGP award, and now has 20 permanent and 40 associate members (farmers/clients who pay for the Association’s services). The cooperative went bankrupt and owes about 450,000 BAM to producers. Its bank account was blocked for 2 years, its two agronomists did not receive their salaries for almost 1 year, and the

“It is pity that we did not manage to make one healthy story, something like what they have in Italy and Germany. We went to see how their cooperatives function. We went to pick their brains. We even took a sample of contracts from them, between cooperatives and members/producers, and we tried to adjust them to our conditions. Unfortunately, it did not have any positive effects. The main reason was a lack of trust. Producers have been cheated so many times that now they don’t trust anyone.”

—Large-scale producer and Association member



sorting and packaging machines are barely functional and are placed with private partners. The only service the Association still provides (to approximately 50–60 producers) is their IPM service, which it provided to producers before the DGP award.

MCF PARTNER

Finding 66: The activity design proposed and submitted by MCF PARTNER to USAID was based on high-risk assumptions and demonstrated an insufficient understanding of the demand and supply side of solar collector markets.

The initial activity design was based on several incorrect assumptions: (i) there is a sufficient demand for flat panel solar collector systems for water heating, (ii) PARTNER’s base of 31,000 clients is a right and sufficient client base for the sale of solar collectors, (iii) an interest rate of 9.99 percent is sufficiently low to attract clients, (iv) MCF PARTNER’s credit line will sufficiently boost sale of solar collectors and ensure sustainability of the domestic production of solar collectors.

“We (PARTNER) had to change target group of clients (PARTNER’s traditional clients), and to target at ones that have access to commercial banks. The reason was that we started to work with systems (solar collector systems) that are very expensive and only that population could decide to invest in solar system.”

—PARTNER’s management

MCF PARTNER failed to demonstrate knowledge about the solar collector production processes and technologies, and the level of details provided within the application was not sufficient to ascertain the proposal’s technical feasibility. The application insufficiently elaborated indicators and provided only a general description of how progress would be followed throughout the activity.

USAID/BiH Mission successfully identified all the major risks that could jeopardize successful implementation of the project during the assessment of MCF PARTNER’s application.

On June 11, 2011, USAID requested MCF PARTNER to revise its application for the third time³⁸. Identified risks were addressed by splitting the proposed activity in two phases. Funding of the implementation phase (phase II) was conditioned on positive findings about vibrant demand for solar collectors (footnote no. 28).

Although USAID approved commencement of Phase II of the activity based on the market research results performed during the Phase I, the evaluation team was not able to confirm that the market research offered conclusive evidence on the existence of a vibrant market for solar collectors in Bosnia and Herzegovina. The market research report found that most interviewees were not interested in installing solar collector systems for water heating. Interviewees were even less interested in installing solar collector systems for space heating. Only one third of the interviewed households expressed interest in using solar systems for water and space heating. Less than half of those that expressed interest in solar collector systems would take a loan to purchase it. Furthermore, less than a fifth expressed interest in the actual product offered by MCF PARTNER (9.99 percent interest rate loan with a 60-month repayment period).

³⁸ MCF PARTNER submitted its first revised application on October 4, 2010 and the second revised application on May 6, 2011.

Only a small percentage of marketing leads³⁹ or sales qualified leads result in actual sales.

The report did not provide recommendations about target markets (clients), their profiles, market size, sale channels, product prices, or other recommendations vital for successful placement of the new product into the markets.

“Demand is very weak, I mean there is interest for information but it is weak, it is difficult to close a deal.”

—Solar collector producer (MIKOM)

“I did not sell a single one. In our town, Breza, everyone is using coal and wood, so here...I do not know, it is poor area. And you tell to people, and they accept everything, but they say I need to change windows, I need to put façade...”

—Solar collector producer

Semi-structured interviews with “solar producer beneficiaries” during this evaluation confirmed the lack of sufficient demand for solar collectors and absence of the viability of broadening the supply base in relationship to the demand for solar collectors. All interviewed “solar producer beneficiaries” reported a weak demand for solar collectors.

Only through the heavy involvement and technical assistance by MCF PARTNER’s Agreement Officer Representative (who had considerable technical expertise in the solar energy sector) did the activity’s Phase II finally begin to produce results after a delay of more than 12 months.

Finding 67: The organizational capacities of MCF PARTNER were considered a sufficient guarantee for the successful implementation of the Project at the time of application.

At the time of application, MCF PARTNER had over 12 years of experience, 283 employees, a network of 54 offices throughout BiH, 31,000 active clients, and experienced and management staff and employees. These factors prevailed in the positive award decision.

Finding 68: MCF PARTNER had no previous experience in or knowledge about the solar energy sector, solar collector production, or the sale of solar collectors, as confirmed by the interviewed staff who also stated that its program management capacities were underdeveloped.

³⁹ Lead or sales lead is defined as identification of a person that has the interest and authority to buy a product or service.



According to MCF PARTNER management, PARTNER’s primary interest was to enter the market of housing loans. They conducted market research and found that there was a potential market for energy efficiency loans for housing (insulation and facades).

The DGP award took them by surprise, and they were unprepared. At that point, their capacity to directly manage development projects was modest.

Although the application MCF PARTNER submitted was not of the highest quality, and contained no evidence of experience in the solar energy sector, the organization had strong links with the Center for Support and Development (CRP), and their cumulative capacities were considered. CRP and MCF PARTNER both grew out of Mercy Corps USA. At the time, CRP had been running a solar collector project since 2008, as part of the 2008–2010 Training Program for Production and Installation of Water-Heating Solar Collectors, which was financed by international organizations (Mercy Corps, USA [\$56,900 in 2009] and the German Union of High National Schools [\$12,000]). CRP also ran the 2009–2010 Public Awareness Campaign in Energy Efficiency, funded by the United Nations Development Program in BiH in the amount of \$24,400.

“We researched the demand for housing loans, and realized that 80% of houses in BiH do not have insulation or facades. We thought it would be interesting to introduce energy efficiency measures, and to talk about renewable sources of energy. Then we started to develop the idea of solar collectors, and that fitted well with the DGP call. But when we got the project we were lost, since we never expected that we would get it. We thought we could do it, but we weren’t ready because solar energy was something completely new.”

—MCF PARTNER management

“When we started in 2010, when they informed us that we got the award, we were taken aback. What were we going to do now? We were simply not ready, we didn’t know how we would implement the project. Then we hired our first project manager, who was an electrical engineer. We simply thought, because of our lack of knowledge, that an electrical engineer should manage the project. Then, later on, we realized that it should be someone who is a project manager.”

—MCF PARTNER management

Finding 69: MCF PARTNER currently has a higher capacity to operate in the energy efficiency sector compared to the pre-DGP period.

MCF PARTNER introduced a new business model that enabled cooperation with a new group of clients. Since PARTNER’s traditional clients could not afford to invest in solar collector systems, the organization had to change its internal procedures and acquire new clients with higher purchasing power.

“It was a new purpose, and a different target group, which means another type of client. We had to adjust our (internal rulebook) criteria in order to acquire a larger number of clients because of the requested outreach.”

—PARTNER management

“Yes, it’s still 3.99 percent. It was 9.99 percent (interest rates). We modified the price, then we modified the purpose (of the loan), then we made it so that it didn’t have to be a 100 percent commodity (loan), it could be 70 percent commodity, 30 percent equipment (cash). But the equipment had to be exclusively for installation.”

—PARTNER management

MCF PARTNER had to train its loan officers and branch managers to tailor their skills to the sale of the new products. It also acquired new software that enabled the calculation and presentation of the benefits of energy efficiency measures to clients.

All these changes cannot be exclusively attributed to the 2010–2013 USAID/BiH DGP but rather to MCF PARTNER’s strategic decision to enter the energy efficiency sector and acquire assistance from different donors.

“We were continuously educating our loan officers and branch managers. Somehow, we became strategically focused on energy efficiency. We have a credit line that we received from the European Fund for Reconstruction and Development. It was called GFG, Green for Growth, and it was exclusively for energy efficiency. Within that project we received technical assistance to educate and train our loan officers in how to sell loans, and how to present benefits to clients. We also acquired software that we use to calculate energy efficiency, and we were educated about solar collectors. That was not linked to USAID, but we were working in parallel, and we used all that knowledge for selling the new loans.”

—PARTNER management

Finding 70: MCF PARTNER sustained its post DGP development efforts by positioning itself as provider of housing loans and financial services in the energy efficiency sector.

One of PARTNER’s main focuses is currently the provision of energy efficiency housing loans. Solar collectors are still offered as part of their pellet heating system (hybrid heating system). MCF PARTNER has ceased promoting solar collectors as standalone heating systems. According to PARTNER’s management, the present loan package for a standalone solar collector system with 3.99 percent interest is not profitable or sustainable.

“Even today we have inquiries from potential clients for loan offers, specifically for solar collectors. We are still offering that loan. However, we do not do PR campaigns, and we do not perform promotional activities, since that loan is still not profitable with its 3.99 percent interest rate.”

“This is a new period, where we are focused on energy efficiency and renewable energy sources, and that is our strategic direction for the future, where we intend to have a larger share in housing loans, and renewable energy sources.”

—PARTNER management

NESTO VISE

Finding 71: According to NESTO VISE staff, before the DGP award, NESTO VISE had an adequate program management capacity, but no technical expertise in the agricultural sector.

The Pre-award Survey Report found that the Association was registered on April 15, 2003, and received a tax number from the Federal Ministry of Finance on March 24, 2010. The Association’s organizational capacity received a score of 2.7

“Since we knew nothing about agriculture, we decided to start working with agricultural cooperatives. That’s how we entered the world of agriculture. We did not go to the cooperatives to teach them about agriculture. We realized that there were a lot of people who have production skills, but who don’t know how to create links with markets, how to make contracts, how to improve production, or how to select a better seed variety.”

“We wanted to have something that was ours. If someone had told me four years ago that we would be where we are now, I would have said he was mad. None of us knew anything about agriculture.”

—NESTO VISE management

(adequate⁴⁰). According to NESTO VISE’s management, the LNGO also had no experience and technical expertise in the agriculture sector.

Finding 72: Through DGP, the organization gained a well-equipped demonstration farm, which is fully operational, as well as vehicles and other equipment.

Financial reporting and administrative procedures were established, and the organization’s staff were trained in different areas of agricultural production. NESTO VISE established cooperation with other organizations and institutions from the agricultural sector and raised its profile and visibility.

The development of the LNGO’s capacities in the provision of extension advisory services was hampered by new legislation on advisory services in the agricultural sector.

Finding 73: NESTO VISE is continuing its development efforts in rural development and agricultural production.

NESTO VISE still provides some of the services financed under the DGP award (training and volunteer programs) and is one of the leading organizations in the BiH Rural Development Network.

EVALUATION QUESTION 6: WHAT, IF ANY, CHALLENGES HAVE THE IMPLEMENTING LNGOs FACED IN MEETING USAID PROGRAM REQUIREMENTS, AND WHAT ARE THE KEY LESSONS LEARNED FOR ANY POTENTIAL SIMILAR FUTURE INITIATIVES IN BiH OR GLOBALLY?

Finding 74: The Evaluation Team did not identify any significant challenges faced by the implementing LNGOs in meeting USAID program requirements, which was partially due to their AORs providing extensive assistance and other USAID/BiH interventions implemented by traditional implementers.

⁴⁰ Although a control weakness was noted, compensating controls and other factors existed that reduced the residual risk within the organization to acceptable levels.

1.0–1.5	Inadequate
1.51–2.5	Weak
2.51–3.5	Adequate
3.51–4.0	Strong

All the implementing LNGOs, except for the FRUIT GROWERS' ASSOCIATION, had sufficiently developed administrative and operational capacities to adequately address USAID program requirements. All potential challenges faced by the implementing LNGOs in these two areas were successfully resolved with assistance from the USAID/BiH Mission's staff. The management teams of the six LNGO grantees, without exception, appreciated the flexibility and valuable support that the USAID/BiH Mission's staff continuously provided.

"We (USAID/BiH Mission) had a variety of issues related to project management. We had to explain to them (the implementing LNGOs) how to write reports, and what was important to us and what was not. Even though we got the grant funding, in some ways it would have been good if they (the implementing LNGOs) had asked us (USAID/BiH Mission) before we started what we needed, rather than sticking with their plan and leaving us to resolve the problems. When we realized that they didn't know how to do something, we began to look for a way to resolve the issue. We were aware of all of these things, but it is important to know the context. We as project managers knew that there were structures on which we could lean (the FARMA project). If we were to manage the projects by ourselves, it would have been much more difficult, since we did not have the specific expertise required, especially agricultural expertise."

—USAID/BiH Mission staff

4.2. CONCLUSIONS

Conclusion 1: The USAID/BiH Mission has a strong capacity to work with non-traditional partners, and the Development Grants Program further enhanced the Mission's ability to partner with local non-government organizations in delivering assistance to the citizens of Bosnia and Herzegovina.

Over the course of the analyzed period from 2003 to 2017, a notable shift has occurred toward greater involvement of non-traditional partners in the implementation of the Mission's activities.

The question of the USAID/BiH Mission's ability to partner with non-traditional partners is an internal issue concerning the different modes of operations of the Mission's two technical offices, DEMO and EDO, but also an issue related to low capacity of BiH CSOs specific to the economic development sector. The Development Grants Program balanced these two offices' levels of cooperation with non-traditional partners, and provided EDO with an important learning experience.

Conclusion 2: Prior to the 2010–2013 Development Grants Program, the experiences of the two USAID/BiH technical offices (EDO and DEMO) in partnering with non-traditional partners were significantly different.

The USAID/BiH Mission has a long history and rich experience in partnering with non-traditional partners/LNGOs, but the ability to do so is anchored primarily within the Mission's Democracy and Governance Office (DEMO). The ability (or lack thereof) within the two technical offices to partner with LNGOs is not related to resources, knowledge or skills but is a result of the conceptual differences in the development approaches in these two sectors. In its interventions, DEMO emphasizes the capacity of stakeholders to

"If you look at the DEMO office, their continued strategic objective is to strengthen civil society. That is a defining characteristic of their existence. The process itself and end results are equally important to them, as is the need for good organizations with good advocacy and partnering capacities. That is sufficient for them, and I don't mean that in a negative way, I'm just talking about the program's approach. But it is not sufficient for us. In our technical office, good advocacy for good tax policy is not considered a successful result, but it's considered to be a process. We are interested in the implementation of tax reform in this country in order to support the growth of enterprises. We're satisfied if a regulator is reformed, but we're not interested in facilitating someone for the sake of it. We see it as a function of reform implementation, as in the case of regulators, or the energy or banking sectors, or the tax authority."

—USAID/BiH Mission staff



interact, advocate, cooperate and participate in development processes, while the Economic Development Office (EDO) is primarily focused on achieving interventions’ end results (i.e. systemic impacts in the economic sector rather than building implementers’ capacity). The purpose of the Development Grants Program is conceptually closer to the work undertaken by DEMO.

Conclusion 3: Prior to the 2010–2013 DGP, EDO had little or no experience working with LNGOs as local prime implementers.

EDO’s cooperation with microcredit financial institution PARTNER occurred because of the restructuring of another ongoing USAID/BiH intervention. PARTNER’s legal status and capital structure does not clearly define it as a classic local non-government organization.

Conclusion 4: The nature of activities implemented in the economic growth portfolio was one of the limitations that prevented the use of local prime implementers in the economic development sector. DGP was the first larger-scale opportunity for the USAID/BiH Mission to test LNGOs as the prime implementers in the economic development sector.

EDO’s projects are usually complex and large in terms of budget and scope. No LNGO in BiH has the absorption capacity to implement projects of that size.

“We have quite ambitious strategic objectives and sub-objectives. In the last fifteen years, they have always been split between being policy-heavy or private sector-heavy. But in both those categories they are very result oriented. Our budgets have changed from substantial budgets to much smaller ones, but we have always tried to work on projects with systemic impact. Things that either have some scale in the private sector, or systemic impact on policy. With the development problem defined in that way, within that kind of setup, we did not have the opportunity to work with the civil sector, with local NGOs.”
—USAID/BiH Mission staff

Conclusion 5: The Economic Development Office was unprepared for the large number of activities awarded by the DGP.

The Economic Development Office’s approach to project management and the resources available to EDO were set up for managing awards with USAID’s traditional partners, i.e. large consulting firms. Managing awards implemented by established consulting companies does not usually require substantial direct involvement and provision of EDO staff’s extensive technical expertise and directions to the implementing partners. The EDO activities implemented by traditional partners are typically designed with clearly defined expected results, deadlines, and indicators of achievement for expected results. In contrast, with DGP, EDO was faced with six externally designed activities, of which many had inherent design deficiencies and multiple equally important objectives besides economic development ones, such as reconciliation, or the empowerment of women. Also, the six LNGOs had different administrative and organizational capacities, modest

“We did not expect so many applications. Previously, we would receive a notification, there would be some money, we would prepare everything, and in the end nothing would happen. I thought nothing would happen this time, too. Then we were overwhelmed, and we had to think about what we needed to do, and how we were going to do it. Now I can see that in subsequent generations of the DGP, everything has been much more organized but there’s been no supply. Everything was ready, but there was no money for Bosnia and Herzegovina.”
—USAID/BiH Mission staff

program management capacities, weak business management skills, and inadequate technical (subject-matter) skills.

Despite the above-mentioned challenges, the EDO technical office and its staff performed in line with DGP's main goal to build the capacities of LNGOs and enable them to sustain their development efforts.

Conclusion 6: The DGP significantly augmented the USAID/BiH Mission's budget during the DGP period, and the activities implemented were entirely aligned with the Mission's strategy. However, the overall developmental influence of these activities was limited.

The 2010–2013 Development Grants Program achieved its goal of creating new partnership opportunities between the Mission and indigenous NGOs, which had limited or no prior direct funding from USAID.

These activities were expected to promote sustainable local economic development, support private sector and energy sector development, and provide better economic opportunities to BiH citizens. All activities were in line with

the 2009–2013 USAID/BiH Country Assistance Strategy's Goal no. 4: "Progress achieved toward creation of a single economic space, able to provide better economic opportunities for all its citizens". However, focus was placed on testing and piloting a larger number of innovative solutions in different sectors, rather than on the impact at a system development level.

Conclusion 7: EDO's ability to partner with non-traditional partners increased because of the experience gained through the 2010–2013 DGP, but its modes of operation remained the same. EDO prefers to work with USAID's traditional partners as prime implementers due to its focus on the achievement of systematic impacts in the economic sector.

The USAID/BiH Mission does not currently have a direct relationship with the six LNGOs that implemented the 2010–2013 DGP awards, although some of them have major sub-grants/sub-contracts in USAID/BiH flagship activities.

"The DGP funds were more than welcome, since those funds significantly augmented the USAID/BiH Mission's budget. However, we at EDO could not simply relax, and say that the budget was augmented so now we could take it easy. Our Mission is very result oriented. We have a portfolio review every six months, we have LogFrames, we have indicators, we have continuous requests for monitoring from the management of our office and of our program office, and we have to show tangible results. However, we do not have a LogFrame or a figure for organizational capacity. We have very few indicators of that type. Maybe we should broaden our perspective, and introduce these indicators. However, that is strategic discussion we should have within our Mission."

—USAID/BiH Mission staff



The Grants Program was a good learning experience, both for the Economic Development Office and LNGO grantees, but, in the absence of USAID/W-based funding and since the USAID/BiH country budget was not used for local awards, there was no opportunity to extend cooperation with the LNGOs and apply the lessons learned. The DGP awards raised some development and management dilemmas, such as capacity building versus directly measurable economic impact, or value of the process versus value of immediate, visible and measurable economic development impacts.

“The DGP awards did not greatly alter the approach of the Economic Development Office. For example, if we perform a cost-benefit analysis for the FRUIT GROWERS’ ASSOCIATION, and for the previous FARMA Project. in terms of the intensity of technical assistance provided, the FARMA project reached 23,000 farmers, and on top of that, there were grants for capital investments. Conversely, through the FRUIT GROWERS’ ASSOCIATION we reached about 120 families, which, if you use a few multipliers, you can stretch to 1,000. If you divide those numbers with the total budgets, you get an investment per capita, and it turns out that the one with a budget of 20 million, and with all overheads included, worked more intensively.”

—USAID/BiH Mission staff

EDO staff believes that achieving any systemic impact in the economic sector through partnering with LNGOs would be difficult, for the following reasons:

- (i) The absence of BiH LNGOs with a strong capacity to implement larger economic development polices and private sector development projects.
- (ii) LNGOs usually cover relatively small geographical areas, and have limited outreach.
- (iii) The management of a large-scale project aimed at achieving systemic impact in the economic sector would require the involvement of a larger number of LNGOs, which would be difficult to manage with EDO’s current resources.

Conclusion 8: Inadequate end beneficiary databases maintained and submitted by the implementing LNGOs prevented effective monitoring during the activities’ duration and imposed limitations on this evaluation’s methodology.

End beneficiary databases burdened with multiple counting, unclear definitions of “end beneficiary”, incorrect contact information, and the absence of basic contact information (names, phone numbers, email addresses) prevented the random selection of end beneficiaries and restricted research methods to direct interviews. The unclear definition of “end beneficiary” and the absence of information on the intensity of end beneficiaries’ participation, in combination with the previously-mentioned issues, may have significantly distorted evaluation results.

Conclusion 9: The scope and nature of the pre-award assessment of DGP applicants was not thorough enough, and current assessment methods that USAID/BiH use (such as Organizational Capacity Assessment) do not provide sufficient insight into the capacities of LNGOs to deliver expected results or ensure that they have the capacity for successful implementation of the activity.

During the pre-award assessment of DGP applicants, USAID primarily assessed administrative and financial capacities to manage USG funds. Program management capacities, technical (subject-matter) capacities and technical readiness to implement the proposed project design were not adequately assessed.

“In terms of future work, I think that in agriculture, and in some other sectors, having strong technical expertise is very important ... One bad decision can destroy ten years of capital accumulation. Knowledge of the markets, institutional knowledge, management of those processes, those can be bought on the market.”

—USAID BiH Mission staff

All LNGOs managed to bring their administrative management capacities to a satisfactory level of compliance with the administrative and financial procedures of international organizations, with AORs’ assistance. However, few LNGOs in BiH have the program management capacities to successfully implement larger economic development projects.

Conclusion 10: LNGOs with stronger pre-DGP administrative capacities did not perform better than LNGOs with less-developed administrative capacities. Assessment of the business management capacity of the implementing LNGOs should be given equal importance.

The strength of an LNGO’s pre-award administrative and financial management capacity did not make a difference in its success in activity implementation. Some of the LNGOs that achieved the highest scores on financial management and administrative capacity underperformed in the implementation of activities.

Insight into the pre-award business management capacities of the implementing LNGOs is important since three out of six activities were similar in design to business startups (MOZAIK, PARTNER, FRUIT GROWERS’ ASSOCIATION). All three activities started production of new products and placed these products on the market without having the necessary technical experience or business knowledge in the industry. Entering a market without sector-related business knowledge and experience of how the market functions and without a well-defined business model (how to organize business and production, how to sell the product, how to profit from sales) will ensure that these business endeavors only last as long as the allocated funds. If the activity design is a business proposal, then its assessment should be based on business-level scrutiny.

Conclusion 11: The majority of interventions did not manage to overcome the risks identified in their activity designs during the application process.

All identified risks (such as: the unclear connection between the 10,000 end beneficiaries and proposed activities in CRP’s project and the FRUIT GROWERS’ ASSOCIATION’s lack of a track record regarding its experience in managing development programs, its weak sustainability strategy, and the lack of evidence of a vibrant solar collector market) materialized during implementation and became major impediments to successfully implementing the activities.

Conclusion 12: Substantial efforts were invested by EDO (and some of its other projects) and AORs to support DGP activities.

These efforts successfully addressed the implementing partners’ lack of technical (subject-matter) expertise and helped the activities achieve the majority of their output level indicators. However, the efforts were not sufficient to address the structural deficiencies in the activity designs.



Conclusion 13: Although most organizations successfully achieved their targeted values of output level indicators, higher-level results were only partially achieved.

According to the Evaluation Reports performed during and after the completion of DGP activities four out of six LNGOs successfully implemented their activities. However, this evaluation found that higher-level results were not or only partially achieved.

MI-BOSPO organized and/or participated in 48 trade fairs, numerous workshops and trainings with over 8,000 participants, and several media campaigns but failed to establish a sustainable and fully operational Women's Business Network (WBN). This network was expected to serve as a platform for advocacy activities aimed to ensure gender equality and an improved business-enabling environment, increase women's market connections and improve access to finance, etc.

CRP organized 15 trainings on drought adoption management with about 300 participants, established 6 demonstration farms, 10 roundtables with about 200 participants, and 7 study tours with over 300 participants but failed to reach the target of providing 10,000 farmers with the opportunity to apply learned and demonstrated adaptive solutions through measures and support provided by entity and cantonal governments and municipalities.

MCF PARTNER provided financial support, business training and organized study tours for 20 SMEs and found placement for 124 domestically produced solar collectors but failed to establish local sustainable production of solar collectors.

MOZAIK managed to start and establish agricultural production in Sekovici Municipality and provide about 140 women with the opportunity to work but failed to demonstrate and establish an economically and socially viable and sustainable model in rural areas.

NESTO VISE organized over 50 trainings and workshops with more than 1,500 participants, distributed seedling donations to 100 farmers, organized a volunteering program with more than 500 participants and provided technical assistance to more than 30 MSMEs, but the evaluation team was not able to confirm that the activity strengthened the competitiveness of the agricultural-agribusiness sector in Herzegovina and diversified agricultural production.

FRUIT GROWERS ASSOCIATION failed to achieve targeted values of output level indicators.

Conclusion 14: MI-BOSPO and NESTO VISE reported impressive achieved values of output level indicators. However, reaching out to a large number of beneficiaries did not necessarily produce significant effects for industry, the region, or even for the end beneficiary.

Covering such a large geographical area and a large number of end beneficiaries was an impressive effort, and this challenge stretched NESTO VISE and MI-BOSPO's resources to the maximum.

The number of activities that NESTO VISE and MI-BOSPO implemented and their different types of end beneficiary, combined with their modest funding, resulted in a low frequency and questionable meaningfulness of certain types of activities.

Conclusion 15: Although MOZAIK's activity was not successful in terms of sustainability, its activity design addressed the population's most important needs, and development efforts should continue in the areas of empowerment and job generation for the most vulnerable groups and poverty reduction.

A flawed activity design and business model coupled with limited business management skills, inadequate agricultural sector experience, and limited technical (subject-matter) expertise were the main factors affecting the activity's sustainability. The number of obstacles and poor management decisions during activity implementation were too large to overcome, even with the extensive efforts of the Economic Development Office.

Conclusion 16: The Solar Energy as the Future of Sustainable Development activity was a challenging and ambitious effort, aimed at developing both the demand and supply sides of the solar collector market, with rather limited resources and within a limited timeframe. The implementer (MCF PARTNER), supported by the EDO, performed as well as possible under such circumstances; however, results were limited.

The activity was a pioneering and complex effort that required significantly more resources, expertise and time than those available compared to the ambitious expected results. The objectives of developing a strong supply of domestically produced solar energy systems and increased usage of solar energy in Bosnia and Herzegovina, was beyond the LNGO's abilities. According to the market research conducted by PRISM Research⁴¹, the supply side of the solar collector markets was already well-developed; major European producers such as BOSCH and Vaillant were present in the market and had established reseller and service networks. Three BiH producers of solar collectors had already managed to enter the market in 2009 with low prices, but they also entered a price war with the big European producers in 2011. The activity introduced 20 new startup producers of solar collectors into this market. The implementing LNGO entered the market by targeting a group of buyers (MCF PARTNER's traditional clients) who were not the right clients for the sale of solar collectors. From the starting point onwards, the activity was managed by market forces rather than by the implementing LNGO, which struggled to keep up with market dynamics and changes.

Conclusion 17: The activity implemented by the FRUIT GROWERS' ASSOCIATION failed to deliver services to most end beneficiaries and failed to reach expected results and targeted indicator value.

The reasons for failure include: financial issues; the inability to collect receivables for goods sold; debts to producers; the absence of support promised by the RS Government; the Association's inability to put sorting and packaging machines in the service of end beneficiaries; issues with taxation of procured equipment and the blocking of the Association's account; and a few bad seasons for producers, with crops destroyed by frost.

Conclusion 18: The sustainability of the activities and development efforts depends significantly on the extent to which the implemented activities are part of the LNGO's long-term strategic development vision.

Only one of the six LNGOs has DGP award-related sectors and activities as part of its corporate strategy. According to information received from CRP management, CRP's focus changes based on the prevailing interests of its employees. Since four of its staff, who were interested in climate

⁴¹PRISM Research; Study: Market Research for Project Assignment: "Increasing Utilization of Alternative Energy Sources"; January 2012.



change and agriculture, left the organization, its focus has shifted to the interests of the remaining staff members: i.e. energy efficiency. MOZAIK changed its corporate strategy, refocusing from agriculture to innovation and startups. PARTNER changed its corporate strategy to define energy efficiency as one of the major sectors of its activities. MI-BOSPO did not make any significant changes to its corporate strategy and remains dedicated to its core business as a microcredit organization. It hopes to continue with development activities once the necessary preconditions are in place. The Evaluation Team was not able to confirm that the FRUIT GROWERS' ASSOCIATION has a sound document in place outlining its strategic approach.

Conclusion 19: The sustainability of activities and development efforts depends significantly on the involvement and support of BiH governments.

The majority of activities implemented under the 2010–2013 USAID/BiH Development Grants Program were not sustained or implemented to their full extent due (at least partially) to the absence of expected involvement and support from governments (FRUIT GROWERS' ASSOCIATION, CRP, NESTO VISE, MCF PARTNER). A large part of the concept that the FRUIT GROWERS' ASSOCIATION proposed collapsed due to the absence of RS government support for the construction of a storage and cooling facility. CRP's concept collapsed when it failed to gain government buy-ins for the provision of support to 10,000 farmers. MOZAIK's operations were significantly delayed due to issues with sourcing land from local governments and acquiring their support for infrastructure improvement. NESTO VISE had to give up a critical element of its concept due to a regulatory ban on the provision of advisory services. MI-BOSPO's activities were not sustained due to the incompatibility of the implemented activities and MI-BOSPO's legal status.

Conclusion 20: Capacity building as a result of DGP awards varied among the six LNGOs. Two of them increased their capacities in terms of technical (subject-matter) expertise in the sectors in which they worked (based on interviewees' perceptions and current portfolios). One LNGO has significantly reduced capacities. Exhibit 30 outlines changes in capacities of the implementing LNGOs.

Exhibit 30: Capacities of the six LNGO grantees

LNGO	Changed capacities of LNGOs due to partnership with USAID
MOZAIK	Capacities of LNGO remained the same. New strategic directions were formulated. Continued with their development efforts in other sectors.
FRUIT GROWERS'	Capacities of LNGO weakened. Continued with their activities but with significantly reduced scope.
MCF MI-BOSPO	Capacities of LNGO remained the same. Returned to their core business.
NESTO VISE	Capacities of LNGO significantly increased. Continued with their development efforts but with reduced scope. Now one of the leading NGOs within the Rural Development Network.
MCF PARTNER	Capacities of LNGO significantly strengthened. New strategic directions formulated. Now positioned in energy efficiency sector. Continuing with development efforts in this sector.
CRP	Capacities of LNGO remained the same. Program capacities in agricultural sector reduced. Continued with their development efforts in other sectors.

NESTO VISE's capacities are significantly increased, both in terms of facilities and equipment and technical (subject-matter) expertise in rural development and agricultural production.

The FRUIT GROWERS' ASSOCIATION is in a difficult financial situation. Financial issues, inadequate administrative and program management capacities, and the absence of a clear strategic vision and plan for the Association's development (which burdened the organization even before the activity began) are factors that undermine this LNGO's sustainability. The organization still provides IPM extension advisory services to about 50 farmers on a fee basis.

PARTNER's capacity, especially in the energy efficiency sector, was significantly strengthened. This LNGO currently plays a leading role in the provision of financial services for household energy efficiency projects.

CRP planned and failed to transfer its entire responsibility for the sustainability of implemented activities to BiH governments. CRP continues with its development efforts in other sectors but not in the agricultural sector.

MI-BOSPO's weak financial position at the beginning of and during implementation of the activity, the limitations of the legal framework related to the provision of non-financial services, inadequate understanding from regulators, and insufficient experience in establishing business networks were the main factors that prevented this LNGO from sustaining its development efforts.

Exhibit 31 outlines: the main factors that influenced the implementation of DGP activities, the relevance of activities to the needs of end beneficiaries, the relevance of activities to the situation in respective markets, and the main sustainability elements of completed activities.

The first row shows level of impact of design flaws/risks in DGP activities affecting their successful implementation and sustainability. Design flaws/risks are identified through this evaluation (findings) as the factors inherent in the activity design that negatively impacted successful implementation and sustainability of the activity. The level of impact of design flaws/risks are classified into the following categories: low, moderate, high and very high.

The second row presents an assessment of the viability of the underlying business model in three activities that were similar in design to business startups (MOZAIK, PARTNER, FRUIT GROWERS' ASSOCIATION). Findings of this evaluation confirmed that these activities entered markets without a well-defined business model. When the following elements of the business model were not well-defined, the underlying business model of the activity was assessed as flawed: how to organize business and production, how to sell the product, how to profit from sales).

The third row shows results of the assessment of the relevance of the activity to beneficiaries, i.e. how important the activity was for the end beneficiaries. The level of importance of the activity for the end beneficiaries (to what extent the activity addressed end beneficiaries needs) is classified into the following categories: low, moderate, high and very high.

The fourth row presents results of the assessment of the relevance of the activity market, i.e. the level of importance of products and services introduced to the markets by DGP activities. The level of importance of products and services to markets (to what extent products and services are new to the markets or non-existent in the markets and/or to what extent products and



services are essential for addressing end beneficiaries needs) is classified into the following categories: low, moderate, high and very high.

The fifth row presents the evaluation findings on how the work of the implementing LNGOs was perceived and valued by end beneficiaries.

The sixth row shows the DGP activities' level of dependence on governments' support/buy-in for their sustainability and the effects of the existing or new legal framework on the sustainability of activities. The DGP activities' level of dependence on governments' support and legal framework is classified into the following categories: low, moderate, high and very high.

The seventh row presents the evaluation findings on physical and organizational assets still in place after completion of DGP activities.

The eighth row outlines the evaluation findings on changes in overall capacities of the implementing LNGOs after completion of activities.

The ninth row outlines the evaluation findings on changes in human resources capacities of the implementing LNGOs after completion of activities.

The tenth row outlines the evaluation findings on what products and services introduced by DGP activities are still provided by the implementing LNGOs after completion of activities.

The eleventh row presents the evaluation findings on what type of beneficiaries/clients are still served by the implementing LNGOs after completion of activities.

Exhibit 31: Summary of the main factors influencing implementation, and the main features of results achieved

	MOZAIK	FRUIT GROWERS' ASSOCIATION	MI-BOSPO	CRP	PARTNER	NESTO VISE
DESIGN FLAWS/RISKS	VERY HIGH	MODERATE TO HIGH	LOW TO MODERATE	MODERATE	VERY HIGH	LOW TO MODERATE
UNDERLYING BUSINESS MODEL OF THE ACTIVITY	FLAWED	FLAWED	N/A	N/A	FLAWED COMPLETELY CHANGED DURING IMPLEMENTATION	N/A
RELEVANCE OF ACTIVITY TO BENEFICIARIES	VERY HIGH	MODERATE TO HIGH	MODERATE	MODERATE TO HIGH	LOW	MODERATE
RELEVANCE OF ACTIVITY TO MARKET	LOW (organic products not recognized by market)	LOW TO MODERATE (GAP certified products not recognized by market)	LOW (when considering WBN members' penetration in the market in terms of total sales and increased demand for products of end beneficiaries)	N/A	LOW (market already well established, strong competition, low demand for solar collectors)	LOW TO MODERATE (the same or similar training provided by other organizations, low interest for certification, no extension services)
BENEFICIARIES' PERCEPTIONS						
SATISFACTION WITH WORK AND ACTIVITIES OF THE IMPLEMENTING LNGOs	Very satisfied with the opportunity to work while it lasted.	All satisfied with only one type of service, provided on a fee basis before and after DGP.	All satisfied with treatment by the LNGO, participation in trade fairs, and opportunity to access financial	Half the end beneficiaries considered the activity useful, half had difficulties recalling.	Majority satisfied (66% of buyers) 41% of end beneficiaries interviewed are fully satisfied, 25% satisfied but did not actually use	All satisfied Unclear definition of "end beneficiary".



	However, other issues and dissatisfaction reported by end beneficiaries.		resources (MI-BOSPO loans).	Unclear definition of “beneficiary”.	the product, and 17% are dissatisfied.	
SUSTAINABILITY						
DEPENDENCE ON GAINING GOVERNMENT SUPPORT/LEGAL FRAMEWORK	HIGH Significantly delayed activities. Significant negative effect on activities.	HIGH Killer assumption	HIGH MI-BOSPO did not continue its activities, due to the intervention of the regulatory agency. MCF can't provide non-financial services.	HIGH Overall objective not achieved due to failure to gain Government buy-ins.	LOW No government support mechanisms to promote solar energy use. Absence of policy component in the project.	MODERATE TO HIGH Changes to legal framework prevented provision of extension advisory services.
FACILITIES/EQUIPMENT/ ORGANIZATIONS ESTABLISHED	NOTHING	EQUIPMENT STILL THERE, but transferred to two private producers. Beneficiaries not aware of where it is, and very few use the service. Cooperative not operational.	NOTHING BiH Women's Business Network ceased operations after USAID stopped funding it.	5 DEMO FARMS One (Glumina–Zvornik) could not be confirmed. One (Koraj–Lopare) partially destroyed by landslide. No replication of demonstration farms in other locations.	4 to 6 of 19 producers are still interested in continuing with solar collector production on an as-needed-basis (not the core business of interviewed producers). EKO Solar Association had no activities in 2017 (based on information received from interviewees).	Demonstration Farm, training facilities, equipment and vehicles.

OVERALL ORGANIZATIONAL CAPACITIES	The same as before the award Decided not to deal with organic production any more. Now focuses exclusively on youth startups and innovative business ideas.	Organization practically destroyed	The same as before the award	The same as before the award Decided not to deal with agriculture any more.	Significantly increased Decided to position itself as the leading financial organization in the energy efficiency sector. This relates primarily to a credit line for financing pellet heating systems for individual households.	Significantly increased
HUMAN RESOURCES	The same as before the award	The same or worse than before the award	The same as before the award	Key personnel left the organization. Four people working in the agricultural sector left CRP.	The same as before the award	Part of the staff left the organization. Not sufficient to provide extension advisory services.
SERVICES/PRODUCTS	NOTHING	The same as before the award (IPM service)	The same as before the award	NOTHING	Credit line for hybrid heating systems.	Partially in place. Small scale training and volunteering schemes. No HACAP or GAP certification. No extension advisory services to individual producers.



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BENEFICIARIES/CLIENTS	The same as before the award	The same as before the award	The same as before the award	The same as before the award	New type of clients. Ones that have access to loans from commercial banks.	Youth, children with special needs, volunteers.
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4.3. RECOMMENDATIONS

1. **Evaluation recommendations for USAID/BiH's considerations are based on lessons learned from DGP and under the assumption that USAID/BiH chooses to further work on expanding the LNGO network of development partners and provide capacity-building assistance to the new partners through supporting their initiatives in economic growth sector. These include:**
 - Increasing funding opportunities for LNGOs' economic development initiatives regardless of the funding source (USAID/BiH Mission's country budget in economic development sector has so far not been used for LNGO prime awards)
 - Augmenting EDO's resources/resource division to ensure adequate resources needed to manage multiple awards to local prime NGO implementers and building of their capacities
 - Limiting awards to local prime NGO implementers (for example, to a maximum of \$500,000) to match funding levels for LNGOs to the level of their present absorption capacity and including implementers' program management and absorption capacity building in funded interventions' objectives (including through gradual increase of amounts of awards to local prime NGO implementers as absorption capacity is built)
 - Addressing both capacity-building and overall economic development impact-oriented activities in design and separating or balancing these as appropriate
 - Supporting local companies, LNGOs, organizations and institutions that are addressing important development issues and are effective at local and regional levels, but could perform even better if their capacities were strengthened; and limiting expected results to local and smaller regional levels and to achievable levels in line with available resources
 - In the case of support for business-related endeavors, making sure there is a sound and feasible business model, and avoiding the introduction of conflicting objectives that could have a negative impact on the business's financial position and sustainability
 - Requesting a strong risk assessment and risk management plan
 - Making sure the proposed activity is the applicant's core business or a prospective new core business
 - Reducing the rigidity of administrative procedures relating to the modification of assistance, to shorten reaction time to critical events during implementation of activities.
2. **A new assessment tool for pre-award assessment should be developed to give equal importance to all elements of grantee capacity critical to successful activity implementation.** Existing capacity assessment tools, such as the Pre-Award Survey and the Organizational Capacity Assessment (OCA), used by USAID to assess the implementing capacities of non-traditional partners are not comprehensive enough to capture all the required capacities and major risks that could jeopardize activity implementation. Even specialized tools, like the Pre-Award Survey, which focuses entirely on financial management systems, are too narrow for the scope of the analysis. Although focused on financial management, the Pre-Award Survey



predominantly determines the existence of processes, rules and procedures and does not consider the organization's financial position.

3. **Implementing partners should be required to properly maintain and regularly update a database of end beneficiaries, containing all necessary and accurate contact information** (names/surnames, address, phone numbers, email addresses, etc.), ensuring that there is no impediment to the disclosure of information to USAID and third parties involved in activity management, monitoring and evaluation. The implementing partner should be obliged to keep these databases and records for at least 5 years after completion of the activity. The same should apply to other critical activity documentation (Quarterly and Annual Reports, M&E plans, etc.).
4. **USAID AORs/CORs should conduct frequent site visits of randomly selected end beneficiaries.** Visits to randomly selected end beneficiaries should be organized more frequently, and without prior announcement or the involvement of the implementing LNCO.
5. **External evaluations (final and interim whenever possible) should be conducted. Sufficient resources and time should be allocated for evaluations within the activity design.** Interim evaluation is a good opportunity to get external insight into an intervention's performance, identify potential issues, and define well-structured corrective measures that would enable a considered, structured, and controlled adjustment of implementation. Even if problems with implementation appear obvious, collecting actual evidence and having a fresh external insight is beneficial and helps avoid potential continuation of crisis management.
6. **During pre-award assessment, the organization's financial position and performance should be assessed carefully to ensure that no problems could jeopardize implementation of the activity.** Problems relating to financial performance and weak financial positions had a significant negative impact on the results and sustainability of at least two activities implemented under the 2010–2013 USAID/BiH Development Grants Program (FRUIT GROWERS', MI BOSPO, MOZAIK). The Pre-Award Survey failed to identify that the FRUIT GROWERS' ASSOCIATION and its partnering cooperative had financial issues and that they already owed significant amounts to the fruit producers who were expected to be their end beneficiaries. The survey also failed to identify the negative impact that USAID funds would have on MI-BOSPO's financial position and financial indicators. Existing tools failed to identify that, within MOZAIK's activity design, the cost of energy for heating a large greenhouse facility at a high altitude and in a remote location would have a significant negative effect on the activity.
7. **Ensure that there are no legal or regulatory impediments that could jeopardize the successful implementation and sustainability of the activity. Make sure that there are government buy-ins and/or support for interventions.** All DGP activities were significantly affected either by existing or new legal and regulatory frameworks or by the absence of government buy-ins.
8. **Avoid activity designs with multiple, equally important objectives that are not necessarily complementary or are potentially conflicting, and clearly define expected results and causal chain of results/result hierarchy.** Some of the DGP activities, such as "The Empowerment of Women through Farming" had multiple, not necessarily complementary, objectives. An objective of hiring 100 rural

women and providing them with long-term employment cannot be achieved if the organization's business model cannot generate sufficient revenues to run a sustainable business. Further, a business with low sales can hardly be expected to maintain ambitious employment targets. The objective of producing nine tons of a product is meaningless if those products cannot be sold at the market at a business-sustaining level. Similarly, the objective of introducing integrated fruit production and producing GAP certified goods is questionable if the market is not prepared to pay a premium for high quality products to cover their higher production costs.

9. **Employ more flexible management of such activities to allow for flexibility in targets in cases in which continuous monitoring indicates that targets are unrealistic, unsustainable, and/or cannot be met while providing sufficient assistance to beneficiaries.** Almost all DGP activities reported to have achieved their targeted values of output level indicators but not the higher-level expected results. The LNGOs should have deepened their activities in a smaller number of locations with fewer better-defined beneficiaries to whom more intense assistance is provided.



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ANNEXES

ANNEX I: EVALUATION WORK PLAN

Performance Evaluation OF The 2010–2013 Development Grants Program

I. INTRODUCTION

This document is submitted in line with the contractual requirement for submission of the Evaluation Work Plan. We will first recap the evaluation purpose and key questions, then present our detailed work plan with a timeline, then describe the methodology of the evaluation.

I.1. EVALUATION PURPOSE

The main purpose of the 2010–2013 USAID/BiH Development Grants Program was to expand USAID’s NGO network of development partners, and provide capacity-building support to the new partners through supporting initiatives and mechanisms, thus enabling a wider range of partners to better meet their beneficiaries’ needs and contribute to development outcomes. This increased capacity of local NGOs (LNGOs) was envisaged to benefit organizational and programmatic sustainability, with the DGP awards supporting USAID’s objective to increase partnership opportunities for LNGOs.

The Evaluation’s main task is to carry out a performance evaluation of the 2010–2013 USAID BiH Development Grants Program (DGP) and examine the accomplishments of all six local NGOs that were beneficiaries of the DGP awards.

The performance evaluation will examine past and current relationships between the USAID Mission and the six LNGOs, as well as the results of the capacity-building part of the DGP. This will determine to what extent the program increased the technical and organizational capacities of grantees, and improved their sustainability and flexibility, thus enabling them to respond rapidly to the evolving needs of their beneficiaries.

The evaluation will also examine how much the end beneficiaries of these six LNGO grantees valued the assistance they were given, and what the results of this assistance were.

The performance evaluation of the DGP will provide analysis, conclusions, and recommendations on the nature of the USAID/BiH Mission’s outreach and its relationships with LNGOs in BiH. It will also examine the Mission’s post-DGP ability to directly partner with non-traditional partners in BiH. The evaluation will provide lessons learned, and action oriented, specific and practical recommendations for the design and implementation of potential similar future initiatives.

The evaluation will be carried out in four phases: (i) preparatory phase; (ii) field data collection phase; (iii) data processing and analysis and report drafting; and (iv) report finalization and presentation.

The evaluation will be carried out by the Sarajevo-based Center for Development Evaluations and Social Science Research (CDESS). The CDESS Evaluation Team (ET) consists of three researchers and one research assistant: Mr. *Davorin Pavelic* (Team Leader), Mr. *Nermin Oruc*, Ms. *Jasmina*

Mangafic and Ms. Amela Kurta. CDESS will be the contracting party and will be fully responsible for the planning, implementation, and reporting of the task, and for the financial management of the Evaluation’s budget and expenditures.

1.2. EVALUATION QUESTIONS

This performance evaluation will ask the following evaluation questions:

1. What was the nature of the Mission’s outreach to LNGOs? Had the Mission worked with the implementing LNGOs prior to these 2010–2013 DGP awards, and if so, what was the nature of that work?
2. What is the Mission’s current relationship, if any, with the LNGOs that implemented these DGP awards?
3. What impact, if any, did these DGP awards have on the Mission’s ability to partner directly with non-traditional partners in BiH?
4. How was the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards perceived and valued by beneficiaries?
5. To what extent has the partnership with USAID strengthened or otherwise changed the capacity of these six LNGOs? Are these former DGP grantees sustaining their development efforts, and if so, how?
6. What, if any, challenges have the implementing LNGOs faced in meeting USAID’s program requirements, and what were the key lessons learned for any potential similar future initiatives in BiH or globally?

Sub-questions and information that will be collected in order to answer each question are provided in the Evaluation Matrix.

2. EVALUATION METHODOLOGY

This chapter presents the proposed methodological approach and tools required to successfully complete the task.

The Evaluation Team will use a mixed-method approach and simultaneously collect a wide range of quantitative and qualitative data, using several different methods: a desk review of the above-listed documents, semi-structured Key Informant Interviews (KIIs), and online questionnaires for the end beneficiaries of the six LNGOs.

The evaluation plan reported herein illustrates an independent, concurrent mixed-method design, and highlights its significant triangulation benefits. It covers three different types of triangulation:

- Data triangulation
- Method triangulation
- Data analysis triangulation

The different sources and different methods of data collection will create a basis for data triangulation, and the treatment of each evaluation question from different perspectives.

2.1. DATA SOURCES

The Evaluation Team will rely on triangulation methods in the data collection process, combining document review with online questionnaires and semi-structured Key Informant Interviews (KIIs).

2.1.1. DOCUMENTS AND REPORTS

The documents to be reviewed include:

- Awards
- Pre-Award Survey Reports
- Annual Work Plans
- Monitoring and Evaluation Plans where available
- Quarterly and/or Annual Reports
- Final Reports
- Mid-term Evaluations where available
- Final Evaluations where available

2.1.2. KEY INFORMANT INTERVIEWS (KIIs)

Key informant interviews will be conducted with selected individuals who can provide in-depth information and insights on issues relevant to the evaluation. Based on project documents and initial interviews and advice from USAID/BiH Mission staff, the evaluation team has identified five groups from which we will select key informants. Over the course of interviewing stakeholders, additional informants may be identified.

The five principal categories of key informants:

- USAID staff: USAID Mission staff from the Democracy and Governance Sector, USAID/BiH Mission staff from the Economic Development Office, USAID/BiH Mission AORs, the USAID/BiH Mission's DGP contact point, and the USAID/Washington DGP contact point (9 interviews)
- Staff of the six LNGO grantees: key management and technical staff from the six LNGO grantees, including the Directors of the LNGOs and their Project Managers and Coordinators (24 interviews)
- End beneficiaries of the six LNGO grantees: selected direct beneficiaries of the six LNGO grantees (35 interviews)
- LNGOs that were not DGP beneficiaries: selected non-beneficiary NGOs working in the same sectors as the six LNGO grantees (4 interviews).
- Other stakeholders: municipal officials, partners of the six LNGO grantees, and sub-contractors such as NERDA, faculties and institutes, and other projects such as FARMA

(6 interviews).

All Key Informant Interviews will be conducted with two Evaluation Team members present, both of whom will take notes independently. Interviews will be structured according to defined interview protocols in order to ensure objectivity, focus, consistency, and comparability of responses. Drafts of the five interview protocols are provided in Annex I to this document.

2.1.3. END BENEFICIARIES AND USAID STAFF SURVEYS

The Evaluation Team will conduct a survey of recipients of assistance from the six LNGO grantees. The Team identified approximately 15,000 unique recipients of this assistance (11,800 farmers, 1,700 individuals directly benefiting by receiving a higher income, 2,400 women entrepreneurs, 500 women farmers and unemployed women, 20 MSMEs who are producers of solar collectors, and 200 customers). We will draw a sample of approximately 650 direct beneficiaries for a questionnaire that will be conducted through an online instrument, complemented by follow-up telephone contact as necessary. It should be noted that email addresses are not available for all 15,000 beneficiaries. So far, the Evaluation Team has received lists of direct beneficiaries from only two LNGO grantees (MI-BOSPO and NESTO VISE). Not a single email address was provided on MI-BOSPO's list of 1,793 beneficiaries. On NESTO VISE's list of over 2,500 beneficiaries, email addresses were only provided for about 70% of entries.

The objective of the questionnaire is to examine how the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards was perceived and valued by beneficiaries.

The Evaluation Team will conduct a mini questionnaire for key USAID/BiH Mission staff in order to learn about the 2010–2013 Development Grants Program selection process, the pre-award capacities of the six LNGO grantees, and the USAID/BiH Mission's ability to partner with non-traditional partners.

Two drafts of the questionnaires used are provided in Annex II to this document.

2.2. DATA COLLECTION

Data will be collected and compiled according to the following methods:

1. Notes from documents. Substantive information will be obtained through document review. Documents providing objective evidence of the achievement of the six LNGO grantees' expected results will be carefully reviewed, and their conclusions and observations recorded in an organized fashion for later use in the Evaluation Report.
2. Semi-structured protocols for key informant interviews. Separate KII interview protocols will be used for the three main groups delineated as data sources (USAID/BiH Mission staff, the six LNGO grantees' staff, and selected direct beneficiaries of the six LNGO grantees). The objective of the guidelines is to ensure that similar issues are addressed by all KII relevant to a particular question, so that commonalities and differences can be identified. Questionnaires

will be translated and administered in the local language by the Evaluation Team as necessary. As noted above, protocol will require at least two members of the Evaluation Team to be present, and interviews will be recorded if possible.

3. Direct beneficiaries and USAID/BiH Mission staff questionnaires. The objectives of the direct beneficiary survey are to validate reported assistance, and to elicit feedback from direct beneficiaries on their perception of the work of the six LNGO grantees, and the quality of assistance received. This questionnaire will be translated into the local language. The objective of the USAID/BiH Mission staff mini questionnaire is to learn about the selection process, LNGO grantees capacities, and the USAID/BiH Mission's ability to partner with non-traditional partners. Questionnaires will be distributed principally via an online instrument, and supplemented by telephone interviews where deemed necessary and useful.

2.3. DATA ANALYSIS

1. Compilation and collation: As documents are reviewed, KIs completed, and questionnaire responses received, their information will be standardized into formats and tables organized according to the Evaluation Questions. The Evaluation Team will then organize all information from these various sources.
2. Triangulation: The Evaluation Team will triangulate information from (i) observations from documentation review; (ii) notes from key informant interviews, independently recorded by two Evaluation Team members according to interview protocols; and (iii) direct beneficiary questionnaires.
3. Findings, recommendations and lessons learned will be prepared based on this comprehensive data analysis.

2.4. DETAILED DESCRIPTION OF EVALUATION METHODOLOGY

In order to address Evaluation Question 1. (which relates to the nature of the USAID/BiH Mission's outreach to LNGOs prior to 2010, and the nature of its relationships with the six LNGOs awarded the USAID DGP grants), the Evaluation team will conduct a desk review, a mini questionnaire with key USAID Mission staff, and interviews with USAID/BiH Mission staff and other key informants, such as non-beneficiary LNGOs. The Evaluation Team will also use findings obtained through the online questionnaire for direct beneficiaries of the six LNGO grantees.

The Evaluation Team will collect and review the main program documents and interview key USAID staff, especially those who bear the Mission's institutional memory of USAID's civil society program, and AORs who were in charge of each of the six LNGO grantees. By combining data obtained from these two sources with data and information obtained through the KIs and questionnaires, the Evaluation Team will be able to prepare a database of the LNGOs that worked and cooperated with the Mission, and perform in-depth analysis of the nature of the USAID/BiH Mission's outreach to LNGOs in BiH prior to 2010. This review will also examine whether or not the Mission worked with the implementing LNGOs prior to the 2010–2013 DGP awards, and if so what the nature of that cooperation was.



While preparing the aforementioned overview, the Evaluation Team will be guided by the following sub-questions:

- What were the main program areas of interest for the USAID/BiH Mission for Development Cooperation with LNGOs in BiH prior to 2010?
- How many and what type of LNGOs were supported by the USAID/BiH Mission prior to 2010?
- What were the main delivery channels and mechanisms used by the USAID/BiH Mission to provide support and assistance to LNGOs in BiH prior to 2010?
- What are the key strengths and weaknesses of the approaches identified?
- What were the main types of activities performed by the six implementing LNGOs, and what was their level of outreach to beneficiaries prior to the grant awards?
- How relevant were the activities of the implementing LNGOs to the type of activities, the beneficiaries, and the funding amounts managed under the 2010–2013 USAID/BiH Development Grants Program?
- What was the nature of the relationships and cooperation between the USAID/BiH Mission and the six implementing LNGOs prior to 2010?

Evaluation Question 2. will be addressed by the same approach to data collection, analysis and interpretation as Evaluation Question 1., and its answer will shed light on the reasons and nature of the cessation or continuation of cooperation between the USAID/BiH Mission and the six LNGO grantees.

To answer Evaluation Question 3., the Evaluation Team will use findings obtained through analysis of Evaluation Question 1., and compare them with findings related to the USAID/BiH Mission's post-DGP and present ability to directly partner with non-traditional partners in BiH. The Evaluation Team will compile a list of the Mission's partners prior to 2010, a list of partners immediately after completion of the DGP, and a list of the Mission's current partners.

In order to determine the impact of the DGP awards, the Evaluation Team will construct and implement several indicators:

- The difference in the number of the Mission's "non-traditional partners" pre- and post-implementation of the 2010–2013 Development Grants Program;
- The difference in the types of beneficiaries who received assistance from the Mission pre- and post-implementation of the 2010–2013 Development Grants Program;
- The difference in types of beneficiaries who received assistance from the Mission through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program;
- The difference in the number of beneficiaries who received assistance from the Mission through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program;
- The difference in the amount of funding disbursed by the USAID/BiH Mission through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program.

These quantitative indicators will be complemented with qualitative data obtained through the KIIs and a mini questionnaire given to key USAID/BiH Mission staff in order to examine and explain potential changes in the Mission's ability to partner directly with non-traditional partners in BiH.

In order to address Evaluation Question 4., the Evaluation Team will analyze data collected through the online questionnaires. Due to the extremely large numbers of end beneficiaries of the six LNGO grantees, and due to constraints of time and resources, the Evaluation Team designed a questionnaire to examine how the end beneficiaries of these six LNGO grantees perceive their work, and how they value the assistance and the results of the assistance provided to them. The data and findings obtained through the online questionnaires will be complemented by on-site visits and direct interviews with a selected number of end beneficiaries and other key informants. The Evaluation Team will interview approximately 35 randomly selected direct beneficiaries.

In order to address Evaluation Question 5., the Evaluation Team will use a combination of different approaches to examine changes to the capacities of the six LNGOs. The organizational capacities of the six LNGOs will be defined as the capability to perform as specified and expected by the DGP.

The assessment of the six LNGO grantees' capacities will start with a review of the Pre-Award Surveys of the six LNGOs, conducted by the USAID/BiH Mission. Information obtained via these Surveys will be used as baseline data on the capacities of the six LNGO grantees. In order to examine changes to the capacities of these LNGOs, the Evaluation Team will conduct semi-structured interviews with their management teams. Other sources of information and data used to gain a more complete picture of the capacities of the six LNGO grantees will be: semi-structured interviews with direct beneficiaries of the six LNGOs; key informants from the USAID/BiH Mission; online questionnaires for direct beneficiaries; a mini questionnaire for key USAID/BiH Mission staff; and semi-structured interviews with selected non-beneficiary LNGOs working in the same sectors as the six LNGO grantees. This information will help to answer Evaluation Question 5.

While addressing Evaluation Question 6., the Evaluation Team will examine and identify good practices achieved during program implementation, as well as the challenges faced by the six LNGO grantees in meeting USAID program requirements during the implementation phase. The good practices and implementation challenges identified will be presented in the form of key lessons learned, which could serve as a solid foundation for the design and implementation of potential similar future initiatives in BiH or globally.



3. EVALUATION MATRIX

Evaluation Question	Data Sources	Research Design
<p>1. What was the nature of the Mission’s outreach to LNGOs? Had the Mission worked with the implementing LNGOs prior to these 2010–2013 DGP awards and if so, what was the nature of that work? <u>Sub-questions:</u> What were the main program areas of interest for the USAID/BiH Mission for Development Cooperation with LNGOs in BiH prior to 2010? How many and what type of LNGOs were supported by the USAID/BiH Mission prior to 2010? What were the main delivery channels and mechanisms used by the USAID/BiH Mission to provide support and assistance to LNGOs in BiH prior to 2010? What are the key strengths and weaknesses of the identified approaches? What were the main types of activities performed by the six implementing LNGOs, and what were their levels of beneficiary outreach, prior to the grant awards? How relevant were the implementing LNGOs’ activities to the type of activities, the beneficiaries and the funding amounts managed under the 2010–2013 USAID/BiH Development Grants Program? What was the nature of the relationships and cooperation between the USAID/BiH Mission and the six implementing LNGOs prior to 2010?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with non-beneficiary LNGOs. Documentation review. Mini survey of the USAID/BiH Mission staff involved.</p>	<p>Mixed-method triangulation</p>
<p>2. What is the Mission’s current relationship, if any, with the LNGOs that implemented these DGP awards? <u>Sub-questions:</u> Did the Mission continue to cooperate with the six LNGO grantees after completion of the Development Grants Program? If so, what was the nature of the cooperation?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with the six LNGO grantees. Documentation review. Mini questionnaire for the USAID/BiH Mission staff involved</p>	<p>Mixed-method triangulation</p>
<p>3. What impact, if any, did these DGP awards have on the Mission’s ability to partner directly with non-traditional partners in BiH? <u>Sub-questions:</u> What is the difference in the number of the Mission’s “non-traditional partners” pre- and post-implementation of the 2010–2013 Development Grants Program? What is the difference in the types of beneficiaries who received assistance from the Mission pre- and post-implementation of the 2010–2013 Development Grants Program? What is the difference in the types and numbers of beneficiaries who received assistance from the Mission through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program? What is the difference in the funding amounts disbursed by the USAID/BiH Mission through traditional versus non-traditional partners pre- and post-implementation of the 2010–2013 Development Grants Program?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with the LNGO grantees. Semi-structured interviews with non-beneficiary LNGOs. Documentation review. Mini survey of the USAID/BiH Mission staff involved.</p>	<p>Mixed-method triangulation</p>
<p>4. How was the work of the implementing LNGOs of these six interventions under the 2010–2013 DGP awards perceived and valued by beneficiaries? <u>Sub-questions:</u> How was assistance to the beneficiaries designed and implemented? Which types of interventions were most and least effective at meeting the needs of end beneficiaries?</p>	<p>Semi-structured interviews with USAID/BiH Mission staff. Semi-structured interviews with the LNGO grantees. Semi-structured interviews with the end beneficiaries. Online questionnaire for end beneficiaries.</p>	<p>Mixed-method triangulation</p>

<p>5. To what extent has their partnership with USAID strengthened or otherwise changed the capacities of these six LNGOs? Are these former DGP grantees sustaining their development efforts and if so, how?</p> <p><u>Sub-questions:</u> In which ways did the 2010–2013 DGP influence the capacities of organizations, in which areas, and how? Are organizations now better able to serve their clients and the projects’ end beneficiaries? If so, how? Did organizations sustain the implementation of these or similar interventions to the present day? Do the organizations still work with the same end beneficiaries? From which sources do the organizations finance these interventions today?</p>	<p>Pre-award Surveys of the six LNGO grantees. Semi-structured interviews with key USAID/BiH Mission staff. Mini survey of key USAID/BiH Mission staff. Semi-structured interviews with the LNGO grantees. Semi-structured interviews with non-beneficiary LNGOs. Documentation review of the six LNGO grantees. Semi-structured interviews with direct beneficiaries. Online questionnaire for direct beneficiaries.</p>	<p>Mixed-method triangulation</p>
<p>6. What, if any, challenges have the implementing LNGOs faced in meeting USAID program requirements, and what are the key lessons learned for any potential similar future initiatives in BiH or globally?</p> <p><u>Sub-questions:</u> Did you encounter any challenges in implementing this USAID DPG-supported project? If so, what were they? What worked well on the project? What did not work well? What lessons have been learnt from the project?</p>	<p>Semi-structured interviews with USAID/BiH staff. Semi structured interviews with the LNGO grantees. Documentation review (Annual Reports, Final Reports, and Evaluation Reports, where available).</p>	<p>Mixed-method triangulation</p>

4. EVALUATION LIMITATIONS

Limitation 1: Response bias

The main issues concern the reliability and validity of data, and the subjectivity/objectivity of key informants during the evaluation process. It is expected that key informants will overstate or understate the impact of project activities. In order to ensure reliable and valid data, the Evaluation Team will triangulate data sources for each evaluation question. Data will be collected from different informants, using different techniques.

Limitation 2: Small sample bias

Due to the extremely large number of direct beneficiaries of the six LNGO grantees, the Evaluation Team will only be able to visit a small percentage of them. The Team will try to mitigate this with sound random selection of direct beneficiaries of the six LNGO grantees for on-site visits, and by triangulating the data collected through semi-structured interviews and online questionnaires.

Limitation 3: Low response rate

It is expected that the personnel of the six LNGO grantees will readily accept the Evaluation Team, but this might not be the case with their direct beneficiaries. While conducting the online questionnaire, the Evaluation Team might be faced with a low response rate from beneficiaries of the six LNGOs. It should also be noted that email addresses are not available for all 15,000 beneficiaries. A low response rate could happen for various reasons, including: inaccurate records and data about the direct beneficiaries of the six LNGO grantees; time elapsed between the completion of the programs and the evaluation; an unwillingness of direct beneficiaries to



cooperate and their consequent failure to complete the questionnaire; or direct beneficiaries changing their minds and dropping out in the middle of the process.

Limitation 4: Changes due to natural maturational and developmental processes

The design of the performance evaluation takes into account that some natural maturational and developmental processes may produce considerable change independently of the program. In order to ensure a reliable link between progress and impact, these maturational and developmental processes must be considered by the Evaluation Team.

5. DISSEMINATION

Upon completion of data analysis, the Evaluation Team will prepare its Final Evaluation Report, and an oral presentation for USAID/BiH, and provide a flash drive containing data collected.

The structure of the Evaluation Report will be based on the standard USAID Evaluation Report format. The report will include findings for each of the evaluation questions, conclusions drawn from these findings, and the key lessons the Evaluation Team has learned with respect to potential similar future initiatives in BiH and globally.

6. DELIVERABLES AND EVALUATION TIMELINE

Activities and Deliverables	Tentative Dates
Desk review of Program documentation, and of drafting Evaluation Work Plan	20–26 June 2017
Initial interviews with USAID/BiH	19–23 June 2017
Submission of Draft Evaluation Work Plan to MEASURE BiH	26 June 2017
Logistical preparations, scheduling KIIs	27–03 July 2017
Data collection through KIIs (including transcription) and online questionnaires	03 July–04 August 2017
Second meeting with USAID/BiH	03–7 July 2017
Interviews with implementing LNGOs	10–15 July 2017
Remaining KIIs and online questionnaires	10 July–04 August 2017
Briefing of USAID/BiH prior to report drafting for final clarifications needed from the Mission, and discussion of the status of data collection, if needed	07 August 2017
Finalizing transcripts, conducting data analysis, drafting the Draft Evaluation Report	07–25 August 2017

Holding a presentation for USAID/BiH to discuss the summary of findings and recommendations to USAID, if needed	28 August 2017
Submission of Draft Evaluation Report to USAID	04 September 2017
Reviewing consolidated USAID and IP comments on the Draft Evaluation Report (expected to be received 10 working days after the submission of the Draft Evaluation Report), and finalization of the Report	18–29 September 2017
Submission of the Final Evaluation Report to USAID (to be completed 10 working days after receiving USAID comments on the Draft Evaluation Report)	29 September 2017

7. FORMAT OF THE FINAL REPORT

The final evaluation report will follow the standard Evaluation Report template, whose structure includes: (i) an executive summary; (ii) an introduction; (iii) background information, and a description of the local context and of the projects evaluated; (iv) the main evaluation questions; (v) the methodology; (vi) limitations to the evaluation; (vii) findings, conclusions, recommendations, best practices, and lessons learned.



ANNEX II: DOCUMENTS/DATABASES REVIEWED

1. A.D. Bisina, Sekovici. Request for Meeting with USAID BiH, June 6, 2013;
2. Action Memorandum, Approval of the Development Grants Program Awards, July 19, 2010;
3. Action Memorandum, Approval of the Development Grants Program Awards, August 5, 2010;
4. Action Memorandum for the Mission Director, Approval Memorandum for the “Agriculture-Agribusiness Microenterprise Development in Bosnia and Herzegovina (BiH)”, August 13, 2010;
5. Action Memorandum, Source / Origin Waiver for Procurement of one Fruit Sorter, one Potato and Onion Sorter and one Weighing and Packing Machine for fruit and vegetables, September 29, 2011;
6. Aida Durakovic, Istvan Nagy, Chuck Szkalak; Report on the Pre-Award Survey of MI-BOSPO Microcredit foundation; USAID/RSC/RFMC Budapest; July, 2010.
7. Association Centre for Development and Support; Final Report, March 2012;
8. Chuck Szkalak, Report on the pre-award survey of Mozaik Community Development Foundation; USAID/RSC/RFMC Budapest, January 2010
9. Cooperative Agreement (AID-168-A-11-00003)
10. Cooperative Agreement (AID-168-A-11-00005)
11. Cooperative Agreement (AID-168-A-00-10-00104-00)
12. Cooperative Agreement (AID-168-A-00-10-00105-00)
13. Cooperative Agreement (AID-169-A-00-10-00103-00)
14. CRP, Lists of beneficiaries;
15. Dario Vins and Sabina Dervisefendic; Evaluation, Women Empowerment through Farming; September 2013.
16. Fixed Obligation Grant (AID-168-F-13-00002)
17. Fruit Growers, Annual Work Plan 2011-2012, May 2011;
18. Fruit Growers, Performance Monitoring and Evaluation Plan, May 2011;
19. Fruit Growers, List of beneficiaries;
20. Istvan Nagy and Aida Durakovic; Report on the Pre-Award Survey of Fruit Growers Association, Laktasi, Bosnia and Herzegovina; USAID/RSC/RFMS Budapest; October, 2010.
21. Ivica Sviric and Himzo Tule; Performance Evaluation of Agriculture-Agribusiness Microenterprise Development in BiH; August 15, 2016
22. MCF Partner; Solar Energy as the Future of Sustainable Development, Completion Report; July 2016;
23. MI-BOSPO, 2010 Work Plan, October, 2010;
24. MI-BOSPO, Annual Plan 2013;
25. Mi-BOSPO, Business Plan WBN, 2013;
26. MI-BOSPO, Final Report, 2013;
27. MI-BOSPO, Findings – Survey, July 11, 2011;
28. MI-BOSPO, List of beneficiaries;

29. MI-BOSPO, Quarterly Report 2, April 1, 2011 – June 30, 2011;
30. MI-BOSPO, Quarterly Report 4, October 1, 2011 – December 31, 2011;
31. MI-BOSPO, Quarterly Report 2, March 1, 2012 – May 30, 2012;
32. MI-BOSPO, Quarterly Report 3, July 1, 2012 – September 30, 2012;
33. MI-BOSPO, Training Plan, October 18, 2010;
34. Modification of Assistance, Cooperative Agreement (AID-168-A-00-10-00105-00), September 23, 2010;
35. Modification of Assistance, Cooperative Agreement (AID-168-A-11-00003), April 1, 2011;
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60. NESTO VISE, Quarterly Report 4, June 18, 2015- September 17, 2014; September 25, 2014;
61. NESTO VISE, Quarterly Report 5, September 18, 2014-December 17, 2014; December 30, 2014;
62. NESTO VISE, Quarterly Report 6, December 18, 2014-March 17, 2015; April 9, 2015;
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ANNEX III: DATA COLLECTION INSTRUMENTS

INTERVIEW PROTOCOL

LNGO GRANTEES

This interview is being conducted for the purpose of evaluation of the 2010–2013 USAID/BiH Development Grants Program.

Our purpose in meeting with you today is to learn your thoughts and feelings about, and experiences of, the 2010–2013 USAID/BiH DGP. Your insights will help us understand how the project was implemented, and how USAID can improve similar projects in the future.

All your comments are confidential, and you will not be identified by name in any report. [NOTE: Please ensure that you include your name, position, and organization]

Do you mind if I record this interview?

Do you have any questions before we begin?

Organization Characteristics

First, I'd like to ask you about the characteristics of your organization.

- When was your organization established?
- Did you work/cooperate with the USAID/BiH Mission prior to the award of the 2010–2013 DGP grant? If so, what was the nature of that cooperation/work?
- What is the primary function of your organization?
- In which ways does your organization work with end beneficiaries? How many beneficiaries does it have?
- What types of services/technical assistance/support were you providing to your beneficiaries prior to receiving funding from the USAID DGP?
- Have there been any changes to the products/services/technical assistance/support you provide to your beneficiaries since receiving funding from the USAID DGP?
 - **PROBE:** What changes?
- Would you have been able to provide those products and services, or that technical assistance/support without the 2010–2013 USAID/BiH Mission's Development Grants Program? Why/why not?
- Do you provide those types of service/technical assistance/support presently? If so, which ones, and to which beneficiaries? If not, why not?
- How do you currently finance the provision of these services or this technical assistance/support?

Experience with the USAID/BiH MISSION

Next, we'd like to ask you some questions about your experience with the USAID/BiH Mission.

- How did your organization first become involved with the USAID/BiH Mission?
- What type of assistance/support, if any, did you receive from the USAID/BiH Mission?
 - **PROBE:** Financial assistance, technical assistance, etc.

- How did each type of assistance come about? Did you request it? Was it suggested by the USAID/BiH Mission?
- For how long did you receive each type of assistance? How often did you receive it?
- How useful did you find this assistance?
 - **PROBE:** What were the most useful aspects of this assistance? What were the least useful ones?
 - **PROBE:** What kinds of changes did you make as a result? What kinds of changes did your constituent beneficiaries make as a result? What kind of feedback have you received from your end beneficiaries?
- How did you learn about the Development Grants Program?
- Please describe the application and selection process for the 2010–2013 USAID/BiH DGP.
- What were the main requests/requirements posed by the USAID/BiH MISSION for the award of grants?
- How did the Mission assess your capacities to become a recipient of the DGP?
- What changes were you required to implement in order to become a recipient of the DGP?
- Did you encounter any difficulties throughout your participation in the 2010–2013 USAID/BiH DGP?
- Have you received any grants/funds/support/assistance from USAID since the completion of the 2010–2013 USAID/BiH DGP? Do you presently work/cooperate with USAID/BiH?
- How different are USAID’s awards and implementation criteria from that of other donors?
- Have you experienced any changes in access to finance over the last four years that could be attributed to your involvement with the 2010–2013 USAID/BiH DGP?
 - **PROBE:** If so, to what do you attribute those changes?

Next, we’d like to ask you some questions about your experiences with your end beneficiaries.

- Do you think the project was successful? Has it achieved its planned objectives and results? Are these results being sustained?
- What are the main results of the interventions implemented by your organization under the 2010–2013 USAID/BiH DGP?
- Do you think that the capacities of your organization were increased as a result of the DGP? If so, in which areas? To what extent?
- Are the implementing agencies now better able to serve local people and support the government?
- What were the main challenges your organization faced while working with end beneficiaries?



- What has worked well, and what has not?
- What would you change if you were to start again?
- What do you think the long-term effects of the implemented interventions on your end beneficiaries were?

Lessons learned and recommendations

What are the main lessons you learned from implementing the 2010–2013 USAID/BiH Development Grants Program?

INTERVIEW PROTOCOL

USAID/BIH MISSION

This interview is being conducted for the purpose of evaluation of the 2010–2013 USAID/BiH Development Grants Program.

All your comments are confidential, and you will not be identified by name in any report. [NOTE: Please ensure you include your name, position, and organization]

Do you mind if I record this interview?

Do you have any questions before we begin?

A. MISSION OUTREACH TO LNGOS

- What do you consider to be traditional and non-traditional partners of USAID/BiH?
- What were the USAID/BiH Mission's main program areas/sectors of interest for development cooperation with LNGOs in BiH prior to 2010?
- How many and what type of LNGOs were supported by the USAID/BiH Mission prior to 2010? In which sectors?
- What were the main delivery channels and mechanisms used by the USAID/BiH Mission to provide support and assistance to LNGOs in BiH prior to 2010?
- In your experience, what are the key strengths and weaknesses of the approaches identified?
- How did the award of the Development Grants Program change the operations of the USAID/BiH MISSION Democracy and Governance and Economic Sectors, if at all?
- How did the Development Grants Program change the total amounts of funding allocated to LNGOs, and of individual LNGO allocations and awards, from those before 2010, and in the period after 2013, if at all?

B. LNGO SELECTION PROCES

- How were LNGOs informed about the DGP call for proposals?
- How many proposals were initially received from LNGOs?
- What were the main evaluation criteria for submitted concept notes?
- Was previous experience with the USAID/BiH Mission and cooperation with LNGOs an important precondition in the Development Grants Program's application process?
- How many concept notes were selected for final review by the DGP Washington DC Office?
- After the final selection of LNGO grantees, did you perform any further assessment/evaluation?
- If so, what were the nature, purpose and results of this assessment/evaluation?

C. COOPERATION WITH THE SIX LNGO GRANTEEES

- What was the nature of the relationships and cooperation between the USAID/BiH Mission and the six implementing LNGOs prior to 2010?
- What were the main types of activities performed by the six implementing LNGOs, and what was their level of beneficiary outreach, prior to the grant awards?
- How relevant were the activities of the implementing LNGOs to the type of activities,



the beneficiaries, and the funding amounts managed under the 2010–2013 USAID/BiH Development Grants Program?

- Would these six LNGO grantees have been able to provide those products and services, or that technical assistance/support without the 2010–2013 USAID/BiH Mission’s Development Grants Program? Why/why not?
- What, if any, challenges did the USAID/BiH Mission face in applying the DPG program requirements to the six LNGO grantees?
- What were the key lessons learned?
- How beneficial was the award of the 2010–2013 Development Grants Program to the USAID/BiH Mission’s work? Why?
- What was the nature of the relationships and cooperation between the USAID/BiH Mission and the six implementing LNGOs after cessation of the 2010–2013 USAID/BiH Development Grants Program?

INTERVIEW PROTOCOL

DIRECT BENEFICIARIES

This interview is being conducted for the purpose of evaluation of the 2010–2013 USAID/BiH Development Grants Program.

All your comments are confidential and you will not be identified by name in any report. [NOTE: Please ensure you include your name, position, and organization]

Do you mind if I record this interview?

Do you have any questions before we begin?

Context

- How did you become involved with the _____ that implemented this Award?
 - **PROBE:** How long have you been established?
 - **PROBE:** What were you doing for _____⁴² before it received this assistance?
 - **PROBE:** How long have you been doing this activity?

Description

- Please describe your experience with the LNGO.
 - **PROBE:** Has this LNGO provided any type of assistance to you?
 - What type(s) of assistance did you receive? Who provided this assistance?
 - For how long did you receive this assistance? How often did you receive it? At what points did you receive it?
 - How did each type of assistance come about? Did you request it? Was it suggested by the LNGO?
 - Did this assistance address your needs?
 - **PROBE:** How useful did you find this assistance?
 - What were the most useful parts of this assistance? What were the least useful parts?
 - **PROBE:** What kind of changes did you make as a result of this assistance? What kind of outcomes did you see as a result of these changes?
 - What has worked well?
 - **PROBE:** What was the overall improvement to the wellbeing of your organization, you or your family? Is it sustainable?
 - **PROBE:** How much has your capacity improved as a result of the service/assistance you received from the Program?
-



- **PROBE:** Are there any other factors, actions, or conditions that contributed to the intervention?
- What were the challenges/struggles?
 - **PROBE:** What do you think of the quality of the services provided by the LNGO?
 - **PROBE:** In your experience, how was the local community affected by the assistance provided by the LNGO?
 - **PROBE:** Did you feel comfortable contacting the LNGO for assistance if you had any problems?

Analysis/Recommendations

- What were the gaps/missing elements?
 - **PROBE:** Were the results achieved in line with your expectations and needs?
 - **PROBE:** Have you come across any overlapping activities by other projects?
 - **PROBE:** Do you think there are more people in your community who could benefit from such assistance?
 - **PROBE:** Is there anything else you wish to share about your experience with the LNGO that supported you/the DGP project?
 - **PROBE:** How could a donor strengthen this type of potential project?

INTERVIEW PROTOCOL

NON-BENEFICIARY LNGOs

This interview is being conducted for the purpose of evaluation of the 2010–2013 USAID/BiH Development Grants Program.

All your comments are confidential and you will not be identified by name in any report. [NOTE: Please ensure you include your name, position, and organization]

Do you mind if I record this interview?

Do you have any questions before we begin?

Context

- When was your organization established?
- What is your organization's area of work/operations?
- How similar are the activities of your organization to those of _____ (LNGO grantee)?
- How familiar are you with the work/operations of _____ (LNGO grantee)?
- How familiar you are with the work done by _____ (LNGO grantee) under the 2010–2013 USAID/BiH Mission's DGP?
- Did your organization cooperate/partner with _____ (LNGO grantee)? How? In what capacity? On what types of interventions?

Capacities

- In your opinion, did _____ (LNGO grantee) have sufficient capacities to implement a project of this size and complexity? If so, in which particular areas? If not, why not?
 - **PROBE:** How would you evaluate the quality of the _____ (LNGO grantee) management?
 - **PROBE:** How would you evaluate the quality of the _____ (LNGO grantee) staff?
 - **PROBE:** How would you evaluate the financial position of _____ (LNGO grantee)?
 - **PROBE:** How would you evaluate _____'s (LNGO grantee) position in the market (in the case of MCFs), or in the arena of civil society organizations?
 - **PROBE:** How would you evaluate _____'s (LNGO grantee) treatment of its beneficiaries?
 - **PROBE:** How would you evaluate _____'s (LNGO grantee) relationships with international organizations?
 - **PROBE:** How would you evaluate the quality of assistance/support provided by _____ (LNGO grantee) to its beneficiaries?
 - **PROBE:** How would you evaluate the level of professionalism of _____ (LNGO grantee)? What about the level of professionalism of its staff?
 - **PROBE:** How successful was the _____ (LNGO grantee) in its



implementation of the 2010–2013 the USAID/BiH Mission’s DGP?

- **PROBE:** How would you rate _____’s (LNGO grantee) capacity for implementation of the 2010–2013 the USAID/BiH Mission’s DGP?
- **PROBE:** What is your opinion on the selection process of LNGOs for implementation of the 2010–2013 the USAID/BiH Mission’s DGP?

Beneficiaries

- Do you think that the project implemented by _____ (LNGO grantee) addressed the real needs of beneficiaries?
- Do you think that the project implemented by _____ (LNGO grantee) provided beneficiaries with high quality assistance?
- Do you think _____’s (LNGO grantee) beneficiaries were satisfied with the assistance they received?

Recommendations

- What do you think could be done better in terms of the design and implementation of these donor-financed programs?
- In your opinion, what are the main lessons learned from the implementation of the 2010–2013 USAID/BiH Development Grants Program?

Is there anything else you wish to share with us?

INTERVIEW PROTOCOL

OTHER STAKEHOLDERS

This interview is being conducted for the purpose of evaluation of the 2010–2013 USAID/BiH Development Grants Program.

All your comments are confidential and you will not be identified by name in any report. [NOTE: Please ensure you include your name, position, and organization]

Do you mind if I record this interview?

Do you have any questions before we begin?

Context

- How did you become involved with _____ (LNGO grantee)?
 - **PROBE:** For how long have you been established?
 - **PROBE:** What have your main activities in this area been, and for how long?

Description

- Please describe your cooperation with _____ (LNGO grantee)?
 - **PROBE:** Please describe the nature of that cooperation, and your role in it.
- What has worked well in your cooperation with _____ (LNGO Grantee)?
 - **PROBE:** Which factors contributed to this?
 - **PROBE:** How did the LNGO coordinate with you and similar actors?
 - **PROBE:** Did you observe best practices in action?
- Please describe any challenges you faced in your cooperation with _____ (LNGO Grantee). How did you address/overcome them?
 - **PROBE:** What was the quality of the services/assistance provided by _____ (LNGO Grantee) to its beneficiaries?
 - **PROBE:** In your opinion, how did local communities value the assistance/services provided by _____ (LNGO Grantee)?

Capacities

Do you think _____ (LNGO grantee) had sufficient capacities to implement a project of this size and complexity? If so, in which particular areas? If not, why not?

PROBE: (in the case of sub-contractors/partners): Why were you selected/sub-contracted as a partner/sub-contractor to work on the implementation of the project?

Beneficiaries

Do you think the project implemented by _____ (LNGO grantee) addressed the real needs of beneficiaries?

Do you think the project implemented by _____ (LNGO grantee) provided beneficiaries with high quality assistance?



Do you think the beneficiaries of _____ (LNGO grantee) were satisfied with the assistance they received?

Recommendations

- What could be done better in terms of the design and implementation of these donor-financed programs?
- What are the main lessons learned from the implementation of the 2010–2013 USAID/BiH Development Grants Program?
- Is there anything else you wish to share about your experience with _____ (LNGO Grantee)?

**MINI QUESTIONNAIRE
USAID STAFF**

The purpose of this questionnaire is to learn about the capacities of LNGO grantees and about the USAID/BiH Mission’s capacity to partner with non-traditional partners.

PLEASE CHECK THE BOX UNDER THE CORRECT NUMERIC RESPONSE TO EACH QUESTION (Please double-click on a checkbox to default to “checked”).

**Survey Scale: 1=Strongly Disagree 2=Disagree
3=Neutral 4=Agree 5=Strongly Agree**

Question	1	2	3	4	5
When selected for the award, the LNGOs had strong financial and administrative capacities to implement the DGP award successfully.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When selected for the award, the LNGOs had strong program management capacities to implement the DGP award successfully.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partnership with USAID increased the LNGOs’ capacities significantly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is still a significant difference in the practice of different sectors within the USAID/BiH Mission (i.e. the Democracy and Governance Office versus the Economic Development Office) in terms of cooperation with non-traditional partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The DPG awards significantly increased the USAID/BiH Mission’s ability to partner directly with non-traditional partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The DPG awards significantly increased the ability of the Economic Development Office to partner directly with non-traditional partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LNGOs in Bosnia and Herzegovina have sufficient capacities to directly implement economic development programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What advantages did the LNGOs bring to the activity as direct USAID partners?

1. _____
2. _____
3. _____
4. _____
5. _____

How did the direct relationship with USAID affect the LNGOs' ability to use these advantages to achieve results/successes?

1. _____
2. _____
3. _____



USAID
FROM THE AMERICAN PEOPLE

BOSNIA-HERZEGOVINA

4. _____

5. _____

Under what circumstances did USAID/BiH perceive its engagement in direct relationships with the LNGOs to be worthwhile?

1. _____

2. _____

3. _____

4. _____

5. _____

ANNEX IV: LIST OF INTERVIEWEES

#	KEY INFORMANT	CRP	FRUIT GROWERS	MI-BOSPO	MOZAIK	NESTO VISE	PARTNER	USAID	NON-BENEFICIARY LINGO	OTHER STAKEHOLDERS
1.	Rade Jovicevic									
2.	Mladen Savic									
3.	Avdo Salkic									
4.	Ejub Pasalic									
5.	Fadil Ahmetasevic									
6.	Izet Cosic									
7.	Nadir Pekaric									
8.	Semir Huseinbasic									
9.	Adem Dzafo									
10.	Milan Dakic									
11.	Zijad Smajic									
12.	Mustafa Dzafic									
13.	Said Bojic									
14.	Samir Huseinovic									
15.	Sacir Rahman									
16.	Zuhdija Kozica									
17.	Adi Tanovic									
18.	Edin Zahirovic									
19.	Hazim Hasanbasic									
20.	Ahmet Sarac									
21.	Cedo Lativnovic									
22.	Dragan Djuric									
23.	Dragan Kovacevic									
24.	Zoran Stojanic									
25.	Drago Predojevic									
26.	Slavko Gluovic									
27.	Ismet Sabic									
28.	Mirko Marjanac									
29.	Miroslav Dakic									
30.	Mladen Licina									
31.	Mladen Stojkovic									
32.	Rajko Culic									
33.	Ranko Gakovic									
34.	Ruza i Mladen Borjanovic									
35.	Milorad Lacic									
36.	Pero Koscica									

82.	Vahida Macanovic								
83.	Tihana Durovic								
84.	Muhamed Garib								
85.	Sanja Zukic								
86.	Alen Vejzovic								
87.	Dzemail Hasic								
88.	Elvir Omerkic								
89.	Enes Dizdarevic i Senad								
90.	Haris Djana								
91.	Enis Likic								
92.	Samir Hamzic								
93.	(061) xxxx50								
94.	(061) xxxx29								
95.	(061) xxxx25								
96.	(062) xxxx74								
97.	(061) xxxx84								
98.	(061) xxxx38								
99.	(061) xxxx40								
100.	(061) xxxx45								
101.	(062) xxxx27								
102.	(061) xxxx59								
103.	062-xxxx41								
104.	061/xxxx40								
105.	061/xxxx03								
106.	(062)xxxx38								
107.	(061) xxxx71								
108.	065/xxxx13								
109.	(061)xxxx72								
110.	(062)xxxx31								
111.	ZI MI doo Tuzla								
112.	Finesa doo Tuzla								
113.	MIKOM doo Tuzla								
114.	Energomong ZTR Modrica								
115.	SEOS doo Pazarc								
116.	Metal Crom doo								
117.	MINO doo Ilijas								
118.	Termoelektro doo Gradiska								
119.	Elektrotehnika Frigo szr Zenica								
120.	FAKOM doo Banja Luka								
121.	Limarija Likic Breza								
122.	HDI doo Semizovac								
124.	Selma Sijercic								
125.	Elvira Challenger								
126.	Ankica Gavrilovic								
127.	Amira Vjezagic-Ramhorst								
128.	Sanela Pasanovic								

**MONITORING AND EVALUATION
SUPPORT ACTIVITY (MEASURE-BiH)**

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