



FOSTERING BOSNIA AND HERZEGOVINA'S AGRICULTURAL SECTOR

PERFORMANCE EVALUATION OF USAID/SWEDEN FOSTERING AGRICULTURAL MARKETS ACTIVITY II (FARMA II)

MAY 2018, FINAL REPORT

MONITORING AND EVALUATION SUPPORT ACTIVITY (MEASURE-BIH)

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ABSTRACT

This performance evaluation of the USAID/Sweden Fostering Agricultural Markets Activity II (FARMA II) assesses progress on the Activity's contractual obligations to date. FARMA II is currently near the midpoint of implementation and based on the evaluation findings, conclusions, and recommendations from this evaluation, USAID/Sweden will be able to make adjustments to the Activity as needed. The evaluation focuses on four research questions. The first question examines FARMA II's progress to date on key performance indicators and the prospects for meeting life of Activity targets. The second question examines whether the approach included in FARMA II's 2017 work plan, which includes the addition of AgMentor, has produced results on key indicators and how this approach has been implemented. The third question examines how public sector stakeholders perceive the relevance of FARMA II and how the Activity's assistance to this group has been implemented. Finally, the fourth evaluation question assesses whether FARMA II's TA has led to progress in the adoption of the Rural Development Strategy and how this assistance has been implemented.

The evaluation team employed a mixed methods approach to answer each of the evaluation questions through triangulation. In addition to reviewing FARMA II documentation, the team conducted 74 semi-structured interviews and conducted an online survey of FARMA II producer organization (PO) beneficiaries. This evaluation shows that it is likely that given past and present growth trends, FARMA II's export and jobs targets will be met at the end of the Activity's implementation. Reaching the sales-related life of activity targets will prove to be a more challenging task since FARMA II has underperformed on these indicators and the other beneficiary POs that have the potential to move into the assisted beneficiary category are relatively small compared to the existing pool of assisted beneficiaries. Therefore, it is expected that the rate of progress toward life of activity targets on performance indicators related to business results will slow in the coming years.

Generally, beneficiaries are satisfied with the technical assistance (TA) provided by FARMA II and feel that it meets their business needs. Additionally, all types of TA provided by FARMA II are perceived as useful. However, among some beneficiaries, FARMA II's approach to TA delivery is not perceived as demand driven. Additionally, many beneficiaries are not familiar with FARMA II's TA options, approach, and strategy. To expand their reach, FARMA II's 2017 approach relies on the multiplication of TA through AgMentor. While most stakeholders believe this could be a useful channel to access information, knowledge, and extension and advisory services, there are concerns about implementation to date, ownership, and sustainability.

There was satisfaction with the public-sector certification and training received from FARMA II and many stakeholders noted that there was effective communication and collaboration with FARMA II around this TA. However, among others, there were higher expectations of the scope of assistance that would be provided and the extent to which demands would be addressed. While the services provided by FARMA II generally reflect public-sector stakeholders' needs, stakeholders do not always know about these services or feel that they are part of the process for identifying these needs.

FARMA II provided substantial TA in drafting the Strategic Plan for Rural Development (SPRD) and facilitating the process of its design. This included drafting documents, organizing working groups, coordinating public meetings, and mediating between international and domestic and state institutions. Adoption of the SPRD by the BiH Council of Ministers and BiH Parliament was a major structural achievement that met one of required preconditions for BiH to gain access to EU financial assistance for agriculture sector development. However, there are substantial divisions among public institutions in perceptions of FARMA II's role and efficacy in the development of this policy. Based on these lessons learned, the evaluation team makes nine recommendations to be considered in FARMA II implementation moving forward.

TABLE OF CONTENTS

ABSTRACT.....	3
TABLE OF CONTENTS.....	4
LIST OF EXHIBITS.....	5
ACKNOWLEDGEMENTS.....	7
ACRONYMS.....	8
EXECUTIVE SUMMARY	9
EVALUATION PURPOSE AND QUESTIONS	9
EVALUATION METHODS AND LIMITATIONS	9
FINDINGS AND CONCLUSIONS.....	10
MAIN RECOMMENDATIONS	11
1. EVALUATION PURPOSE AND EVALUATION QUESTIONS.....	13
1.1. EVALUATION PURPOSE.....	13
1.2. EVALUATION QUESTIONS.....	13
2. FARMA II BACKGROUND	14
3. EVALUATION METHODS AND LIMITATIONS	19
3.1. METHODOLOGY AND DATA COLLECTION.....	19
3.2. EVALUATION LIMITATIONS.....	22
4. FINDINGS AND CONCLUSIONS.....	23
4.1. EVALUATION QUESTION 1 - FINDINGS.....	23
4.2. EVALUATION QUESTION 1 - CONCLUSIONS.....	27
4.3. EVALUATION QUESTION 2 – FINDINGS.....	29
4.4. EVALUATION QUESTION 2 - CONCLUSIONS.....	39
4.5. EVALUATION QUESTION 3 - FINDINGS.....	40
4.6. EVALUATION QUESTION 3 - CONCLUSIONS.....	42
4.7. EVALUATION QUESTION 4 - FINDINGS.....	43
4.8. EVALUATION QUESTION 4 - CONCLUSIONS.....	44
5. RECOMMENDATIONS	44
ANNEXES.....	46
ANNEX I: EVALUATION STATEMENT OF WORK	47
ANNEX II: DATA COLLECTION INSTRUMENTS	54
ANNEX II.I: DOCUMENTS/DATABASES REVIEWED.....	55

ANNEX II.II: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PO BENEFICIARIES	57
ANNEX II.III: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PO NON-BENEFICIARIES.....	59
ANNEX II.IV: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PUBLIC SECTOR BENEFICIARIES...	61
ANNEX II.V: ONLINE SURVEY QUESTIONNAIRE FOR FARMA II PO BENEFICIARIES.....	63
ANNEX II.VI: ONLINE SURVEY QUESTIONNAIRE FOR NON-BENEFICIARIES IN FARMA II SUBSECTORS	68
ANNEX III: KEY INFORMANT INTERVIEWS.....	73
ANNEX IV: AGMENTOR OVERVIEW.....	75
ANNEX V: FARMA II TASKS PER AWARD	76
ANNEX VI: ACTIVITY'S INDICATORS; TARGETS VS ACTUALS	81
ANNEX VII: LIST OF GRANTEES.....	82
ANNEX VIII: LIST OF TYPES OF ASSISTANCE.....	84
ANNEX IX: SECTOR CODES	87
ANNEX X: COMMENTS FROM THE IMPLEMENTING PARTNER ON THE PERFORMANCE EVALUATION OF USAID / SWEDEN FOSTERING AGRICULTURAL MARKET ACTIVITY II REPORT AND THE EVALUATION TEAM RESPONSES.....	88
ANNEX X.I: COMMENTS FROM THE IMPLEMENTING PARTNER ON THE FARMA II EVALUATION.....	88
ANNEX X.II: THE EVALUATION TEAM RESPONSES TO COMMENTS FROM THE IMPLEMENTING PARTNER.....	105

LIST OF EXHIBITS

Exhibit 1. FARMA II Activity LogFrame (as of FY2017).....	18
Exhibit 2. KII's by Category	19
Exhibit 3. Online Survey Response Rates.....	20
Exhibit 4. Evaluation Matrix	21
Exhibit 5. Number of Assisted POs Receiving FARMA II TA.....	24
Exhibit 6. Performance Indicator Values for Assisted POs in 2017	25
Exhibit 7. Actual and Expected Exports among Beneficiaries.....	26
Exhibit 8. Actual and Expected Sales among Beneficiaries	26
Exhibit 9. Actual and Expected Number of Employees among Beneficiaries	27
Exhibit 10. Grant Disbursements	29
Exhibit 11. POs' Perception of Effectiveness of Small Grants Assistance.....	30
Exhibit 12. POs' Opinions of the Relevance of Different Types of Assistance for their Business Results.....	31
Exhibit 13. POs' Opinions of the Effectiveness of Different Types of Assistance for their Business Results.....	31
Exhibit 14. Estimated number of hours of TA required to reach Targets	32
Exhibit 15. Number of Grantees that qualify for Assisted PO status.....	32
Exhibit 16. Structure of Cohorts of Assisted POs and Other POs in Volume of Sales.....	33
Exhibit 17. Size of Different Sub-groups of POs that are provided with TA in Terms of Average Number of Employees	33

Exhibit 18. Companies that Received the Highest Number of Types of TA.....	33
Exhibit 19. Types of TA Provided to POs by Total Hours	34
Exhibit 20. Types of TA and Total Hours of TA Delivered to POs	34
Exhibit 21. Number of Certified Private Legal Entities and Individual Farmers	35
Exhibit 22. Number of POs and types of services provided by two AgMentor Centers.....	35
Exhibit 23. Importance of Advisory Services.....	36
Exhibit 24. POs' Perception of Usefulness of Private and Public Advisory Services.....	37
Exhibit 25. Number, Geographical Distribution and Expertise of the RS Public Advisory Services.....	38

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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 Support Activity (MEASURE-BiH), to design and conduct an evaluation of USAID/BiH's Fostering Agricultural Markets Activity (FARMA II). The evaluation adopts a rigorous design and methodological approach to address the evaluation questions and to link findings, conclusions, and recommendations related to the extent of FARMA II's achievements in fostering agricultural markets in Bosnia and Herzegovina.

MEASURE-BiH's Evaluation Team members who worked on this evaluation and prepared this report include Evaluation Co-Leads Davorin Pavelic (MEASURE-BiH external consultant and MEASURE-BiH Research Fellow) and Brian Fahey (MEASURE-BiH external consultant); Jasmina Mangafic, (Evaluation Team Member, MEASURE-BiH external consultant, and MEASURE-BiH Research Fellow); Anesa Hadzic, (Evaluation Team Member and MEASURE-BiH Research Analyst); and Amy Kracker Selzer, (Evaluation Team Member and IMPAQ Employee).

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ACRONYMS

AgMentor	Agri-food Information and Advisory Services
APIF	Agency for Intermediary, IT and Financial Services in RS
AMEP	Activity Monitoring and Evaluation Plan
B2B	Business-to-Business
BAM	Bosnian Mark
BD	Brcko District
BiH	Bosnia and Herzegovina
BPK	Bosnian-Podrinje Canton
CEFTA	Central European Free Trade Agreement
CERD	Center for Economic and Rural Development
CzDA	Czech Development Agency
COR	Contracting Officer's Representative
EU	European Union
FARMA	Fostering Agricultural Markets Activity
FARMA II	Fostering Agricultural Markets Activity II
FBiH	Federation of Bosnia and Herzegovina
FIA	Financial Information Agency
F&V	Fruits and vegetables
FSA	Food Safety Agency of BiH
FTC	Foreign Trade Chamber
HNK	Herzegovina-Neretva Canton
IPARD	Instrument for Pre-Accession Assistance in Rural Development
KI	Key informant
KII	Key informant interview
KS	Sarajevo Canton
LAMP	Linking Agricultural Markets to Producers Activity
MAPs	Medicinal and aromatic plants
M&E	Monitoring and evaluation
MEASURE-BiH	USAID/BiH Monitoring and Evaluation Support Activity
MEL	Monitoring, evaluation, and learning
MOFTER	BiH Ministry of Foreign Trade and Economic Relations
MoU	Memorandum of understanding
NAA	Network of Agricultural Advisers
NGO	Non-governmental organization
PHA	BiH Plant Health Protection Administration
PO	Producer organization
PPD	Public-private dialogue
REZ	Regional Development Agency for Central BiH region
RIA	Regulatory impact assessment
RS	Republika Srpska
SBK	Central Bosnia Canton
SME	Small and medium enterprise
SOW	Statement of work
SPRD	Strategic Plan for Rural Development
SVO	State Veterinary Office of BiH
TA	Technical assistance
TK	Tuzla Canton
USAID	U.S. Agency for International Development
USAID/BiH	U.S. Agency for International Development in Bosnia and Herzegovina
USG	U.S. government
VAT	Value-added tax

EXECUTIVE SUMMARY

EVALUATION PURPOSE AND QUESTIONS

This performance evaluation of the USAID/Sweden Fostering Agricultural Markets Activity II (FARMA II) assesses progress on the Activity's contractual obligations to date. FARMA II is currently near the midpoint of implementation and based on the evaluation findings, conclusions, and recommendations from this evaluation, USAID/Sweden will be able to make adjustments to the Activity as needed.

To assess progress to date and identify any areas for needed adjustments, this evaluation will answer the following research questions:

1. What progress has been achieved in reaching contract targets (jobs, investment, exports, sales, reaching to private sector beneficiaries-scale of assistance) and what are the prospects of meeting life of activity contract targets (based on stakeholders' perceptions, implementers' plans, and the calculations of progress needed in the remaining activity period)?
2. Has the technical approach outlined in FARMA II's workplan for 2017 (including the AgMentor approach) produced results in terms of increase of sales, exports, new jobs, and scale of assistance, and their magnitude in relation to contract targets (based on stakeholders' perceptions and the calculations of estimated progress towards achieving expected results and targets in 2017)? How has this technical approach been implemented and how is it perceived by beneficiaries in terms of relevance and effectiveness of two different forms of assistance: assistance through the grants component and all other forms of assistance (TA, AgMentor, and other)?
3. How do public sector partners (MOFTER, entity ministries, SVO, FSA, PHA, entity inspectorates) perceive relevance and effectiveness of FARMA II assistance? How has FARMA II's assistance to public sector partners been implemented?
4. Has FARMA II's TA led to progress on adopting the Rural Development Strategy at the state level and achieving relevant contractual expected results and how? How has FARMA II's assistance in Strategy preparation/adoption been implemented?

EVALUATION METHODS AND LIMITATIONS

To further evaluate FARMA II's progress, the research team employed a mixed methods approach and triangulated data across the following sources to answer each of the evaluation questions:

1. FARMA II design and implementation documentation and databases, including award and award modification, work plans, quarterly reports, annual reports, monitoring and evaluation (M&E) documentation, and deliverables within FARMA's work with the public sector
2. Secondary documentation relevant to FARMA II, such as documentation from the European Commission and the World Bank, as well as documentation from relevant BiH government/public institutions
3. 74 semi-structured key informant interviews (KIIs)
4. Online survey of FARMA PO beneficiaries

The main limitations of this study include response bias, recall bias, selection bias, a lack of official financial reports for 2017 indicators, and the period of implementation of some aspects of FARMA II's technical approach.

FINDINGS AND CONCLUSIONS

It is likely that given past and present growth trends, FARMA II's export and jobs targets will be met at the end of the Activity's implementation. Reaching the sales-related life of the Activity targets may prove to be a challenging task since FARMA II has underperformed on these indicators and the other beneficiaries that have the potential to move into the assisted beneficiary category are relatively small compared to the existing pool of assisted beneficiaries. Data collected from FIA/AFIP databases as well as survey data clearly indicate that FARMA II's assisted POs include some of the largest companies and exporters from the dairy and poultry subsectors. This resulted in impressive performance in export and employment indicators. Moving forward, as those in the other beneficiary category participate in additional assistance, they will likely be classified as assisted beneficiaries. However, the business results of these 657 other POs served by FARMA II are more modest and their growth rates are substantially lower than those of assisted POs from 2017. While the sectors targeted show future potential for growth, there is evidence that POs who do not achieve scale are increasingly less competitive and might be forced to exit the market. Therefore, it is expected that rate of progress toward life of activity targets on performance indicators related to business results will be reduced in the coming years.

While there is progress on some indicators, given the Activity's design and limitations of the baseline survey, it is not possible to say with certainty that FARMA II interventions have produced or will produce these changes in the sales and exports of assisted POs. Given the lack of a technical approach that would allow for such a measurement, all FARMA interventions related to POs should be examined with this limitation in mind. Additionally, and considering the scale of assistance to FARMA II POs and their business results over the last three years, it is possible that the assisted POs would have achieved FARMA II contractual targets even without the existence of the Activity. Therefore, USAID's return on investment on an Activity such as FARMA II as currently designed is uncertain.

Generally, beneficiaries are satisfied with the TA provided by FARMA II and feel that it meets their business needs. All types of TA provided by FARMA II are perceived as useful, while business training was rated slightly higher than other types of TA. However, there was mixed feedback on whether FARMA II's approach to TA delivery was perceived as demand driven and many beneficiaries are not familiar with FARMA II's TA options, approach, and strategy.

To expand their reach, FARMA II's 2017 approach relies on the multiplication of TA through AgMentor. While most stakeholders believe this could be a useful channel to access information, knowledge, and extension and advisory services, there are concerns about implementation to date, ownership, and sustainability. In implementing AgMentor, there is limited evidence that FARMA II effectively built upon or coordinated with international donors and their local counterparts who were working on the development of similar public extension and advisory services in BiH. In terms of the AgMentor web portal, several institutions expressed possible willingness to continue maintaining the portal once FARMA II ends (e.g., an NGO, an agricultural association, and a public-sector institute). However, there has been limited planning for sustainability after the Activity ends.

There was satisfaction with the public-sector certification and training received from FARMA II and many stakeholders noted that there was effective communication and collaboration with FARMA II around this TA.

However, among others, there were higher expectations of the scope of assistance that would be provided and the extent to which demands would be addressed. While the services provided by FARMA II generally reflect public-sector stakeholders' needs as identified in the assessment, stakeholders do not always know about these services or feel that they are part of the process for identifying these needs.

FARMA II provided substantial TA in drafting the Strategic Plan for Rural Development (SPRD) and facilitating the process of its design. This included drafting documents, organizing working groups, coordinating public meetings, and mediating between international and domestic and state institutions. Adoption of the SPRD by the BiH Council of Ministers and BiH Parliament was a major structural achievement that met one of required preconditions for BiH to gain access to EU financial assistance for agriculture sector development. However, there is a divide between those tasked with passing the SPRD and those responsible for implementing it. FARMA II was able to effectively collaborate with international, state, and donor agencies with a primary interest in seeing the legislation move forward. However, there are substantial divisions among public institutions in perceptions of FARMA II's role and efficacy in the development of this policy.

MAIN RECOMMENDATIONS

The evaluation team makes 10 recommendations to be considered in FARMA II implementation moving forward.

Recommendation 1: The design of FARMA II limited the potential for assessing the impacts of USAID's long-term and generally well-perceived engagement in the agriculture sector. When designing new agricultural activities, lessons learned from previous programming should be integrated as early as the Request for Proposals (RFP) stage. Moreover, the technical components of these proposals, such as requirements for a technical approach suitable for impact evaluations, should be adequately reviewed and evaluated by the funder prior to award.

Recommendation 2: Given the importance of a combination of TA and grants, FARMA II should prioritize the provision of direct, high-intensity, and high-quality TA to PO grantees. This would help FARMA II make progress toward targets. It would also ensure that beneficiaries are well supported in implementing their grants, possibly improving the sustainability of their results.

Recommendation 3: Since new FARMA II beneficiaries will be smaller POs, FARMA II should tailor its TA accordingly. Additionally, because these smaller POs are likely to have relatively modest business results, achievement of the contractual targets will depend on FARMA II's ability to directly influence and improve their business operations.

Recommendation 4: USAID/BiH should reconsider supporting the financing of the two AgMentor physical centers. Operations of these centers are limited in terms of accessibility and outreach to POs. Once the current one-year contracts with the two AgMentor physical centers expire, it is recommended to determine whether they have provided cost-effective services that adequately addressed the business improvement and growth needs of POs.

Recommendation 5: USAID/BiH should perform a thorough financial analysis to determine whether the AgMentor approach diverted financial resources away from the direct provision of TA by FARMA II personnel to beneficiaries or served as an effective multiplier of TA to the targeted sectors.

Recommendation 6: Further development of the AgMentor online platform should include the rapid deployment of services to POs by advisors (one-on-one PO-advisor matching and assistance), building stakeholder buy-in, developing a business model for funding private advisors, building the capacity of advisors (including their certifications), establishment of a system of quality assurance, and sustainability planning. Continuation of work on the AgMentor online platform should be conditioned on approval of the sustainability plan.

Recommendations 7: As soon as possible, FARMA II should identify and engage local stakeholders interested in assuming responsibility for maintaining the AgMentor web portal, involve them in all stages of portal development, and familiarize them with both content and software solutions to ensure they can take over and maintain the portal once it is fully implemented.

Recommendation 8: FARMA II needs to make a substantial effort to establish and facilitate more effective cooperation with existing public advisory services to ensure their full participation and cooperation with the AgMentor concept. This should include an attempt to integrate the web portal with existing extension and advisory services.

Recommendation 9: FARMA II must develop mechanisms to engage with POs and public stakeholders to address their needs and demands. This could include further exploration of reinstating the coordination body that was found to be an effective part of FARMA I. This could provide an effective way for stakeholders to collaborate and feel greater ownership in the service delivery process. At the institutional level, FARMA II needs to make a substantial effort to establish and facilitate more effective collaboration with public sector stakeholders and ensure their meaningful participation in implementing the Activity. Successful cooperation with the MOFTER and the FBiH Ministry of Agriculture should also be extended to the other key stakeholders with responsibility for implement agricultural policy in BiH, such as the RS Ministry of Agriculture and cantonal ministries.

Recommendation 10: Given the potential challenges in implementing the SPRD and the limited time and resources of the Activity, USAID/BiH and FARMA II should reconsider whether FARMA II should continue to provide the SPRD related support to the BiH institutions.

I. EVALUATION PURPOSE AND EVALUATION QUESTIONS

I.1. EVALUATION PURPOSE

This performance evaluation of the USAID/Sweden Fostering Agricultural Markets Activity II (FARMA II) assesses progress on the Activity's contractual obligations to date. FARMA II is currently near the midpoint of implementation and based on the evaluation findings, conclusions, and recommendations from this evaluation, USAID/Sweden will be able to make adjustments to the Activity as needed.

I.2. EVALUATION QUESTIONS

To assess progress to date and identify any areas for needed adjustments, this evaluation will answer the following research questions:

1. What progress has been achieved in reaching contract targets (jobs, investment, exports, sales, reaching to private sector beneficiaries-scale of assistance) and what are the prospects of meeting life of activity contract targets (based on stakeholders' perceptions, implementers' plans, and the calculations of progress needed in the remaining activity period)?
2. Has the technical approach outlined in FARMA II's work plan for 2017 (including the AgMentor approach) produced results in terms of increase of sales, exports, new jobs, and scale of assistance, and their magnitude in relation to contract targets (based on stakeholders' perceptions and the calculations of estimated progress towards achieving expected results and targets in 2017)? How has this technical approach been implemented and how is it perceived by beneficiaries in terms of relevance and effectiveness of two different forms of assistance: assistance through the grants component and all other forms of assistance (TA, AgMentor, and other).
3. How do public sector partners (MOFTER, entity ministries, SVO, FSA, PHA, entity inspectorates) perceive relevance and effectiveness of FARMA II assistance? How has FARMA II's assistance to public sector partners been implemented?
4. Has FARMA II's TA led to progress on adopting the Rural Development Strategy at the state level and achieving relevant contractual expected results and how? How has FARMA II's assistance in Strategy preparation/adoption been implemented?

2. FARMA II BACKGROUND

FARMA II is a \$16.28 million activity being implemented between January 1, 2016, and December 31, 2020, by Cardno Emerging Markets USA, Ltd. As specified in the award, the purpose of the activity is:

to create agricultural and agri-business economic opportunities by assisting agricultural producer organizations (POs) in adopting European Union (EU) and international agricultural and food standards and new production techniques, producing new high-value products, and expanding domestic and international market access of producers, and assist BiH government and public agencies to implement regulations related to food and agricultural products that meet EU and international requirements.

FARMA II is intended to build on the achievements of two predecessor interventions in the agricultural sector in BiH: USAID's Linking Agricultural Markets to Producers (LAMP), implemented between 2003 and 2008, and USAID/Sweden's FARMA I, implemented between 2009 and 2015.

FARMA II was designed to strengthen the BiH agricultural sector in which:

- the sector remains subsistence oriented and inefficient and has so far avoided structural transformation;
- food imports are 2.5 times higher than food exports and rising as BiH consumers increasingly favor imported products; and
- BiH producers and agro-food processors need to rapidly prepare for EU accession to enable rural and peri-urban regions to participate in BiH's economic growth.

The FARMA II award specifies two expected objectives to accomplish this purpose, along with eight expected results, five associated activities, and five steps.

Objective I: *Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high-value products, and have expanded markets.*

Activities within Objective I include:

- i. Activity 1 – Expand PO Market Access and Multiply Market Linkages
- ii. Activity 2 – Implement EU and International Standards to Improve BiH Product Quality
- iii. Activity 3 – Improve Productivity and Increase Total Output

Expected Results of Objective I include:

1. 2,100 new jobs in assisted POs
2. Exports of assisted POs in selected agricultural sub-sectors increase by 90 percent
3. Sales of assisted POs in selected agricultural sub-sectors increase by 65 percent
4. Assistance provided to POs that represent at least 58 percent of the sub-sectoral output
5. 22.44 mil BAM in new private investments in supported sub-sectors

Steps within Objective I include:

- Step I: Conduct a baseline survey

- Step 2: Design and implement interventions to address market failure
- Step 3: Ensure sustainability

Objective 2: Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.

Activities within Objective 2 include:

- i. Activity 4 – Prepare Conditions for IPARD Implementation
- ii. Activity 5 – Prepare Conditions and Upgrade Capacity of Food Product Quality Infrastructure

Expected Results of Objective 2 include:

1. 560 private legal entities and individual farmers certified in accordance with EU acquis and market requirements (60 private legal entities and 500 individual farmers)
2. Ten public institutions are certified in line with the EU acquis and market requirements
3. 40 pieces of legislation are harmonized to the EU acquis and submitted to Government(s) of BiH

Steps within Objective 2 include:

- Step 1. Transpose laws and regulations in accordance with the acquis and finalize strategies. Using Cardno’s Collaborative Process, help government ministries and agencies establish working groups to draft priority laws, develop policies, and support enactment
- Step 2. Develop capacity to implement regulations and policies through three steps:
 - o Work with agencies and ministries to identify institutional weaknesses that could hinder implementation
 - o Sign MOU with government counterparts to define the training program and ensure their commitment to the process
 - o Conduct training and develop procedural manuals to ensure that what is learned is incorporated into the institution

For each of the five activities, detailed implementation mechanisms are designed in the award with 22 higher-level tasks and 80 detailed tasks within these. These are laid out in Annex I. The implementer’s approach to achieving activity objectives is grounded in four guiding principles:

- I.** Enable market forces to emerge;
- II.** Build sustainability through local ownership;
- III.** Foster the inclusion of men, women, youth, and marginalized groups; and
- IV.** Leverage impact through collaboration with partners.

FARMA II works in the following four agricultural sub-sectors: (i) fruits and vegetables (F&V), (ii) medicinal and aromatic plants (MAP) and honey, (iii) dairy, and (iv) poultry. These sub-sectors were selected based on Cardno’s initial assessments, which identified sub-sectors that are competitively positioned to achieve optimal results in terms of increased sales, exports, and job creation.

In the first two years of implementation, as a part of Objective I, FARMA II provided technical and financial assistance to POs. POs receiving this assistance are categorized as assisted beneficiaries (grantees and TA

recipients) and other beneficiaries. Criteria for a beneficiary to be considered an assisted beneficiary (assisted PO) have been defined by FARMA II as substantive assistance that includes a minimum of eight hours of assistance and a minimum of two separate support activities being provided. Those that have not received grants and have received less than eight hours of TA are considered to be other beneficiaries.

FARMA II's TA activities are intended to expand the agricultural value chain in BiH, facilitate linkages with global buyers, and improve product quality and standards. FARMA II has five main categories of TA - fair attendance, study tours, technical training, business training, and round tables. Specific TA activities include, for example, simulating product quality audits so that beneficiaries are able to identify weaknesses in their production processes and improve overall quality. According to FARMA II documentation, as of January 2018, there were 226 assisted beneficiaries, including 120 non-grantee POs. In addition to these, FARMA II has 657 other beneficiaries that have not received grants and have received less than eight hours of TA. Annex II lists the specific TA activities provided by FARMA II for each targeted agricultural sector associated.¹

As of FARMA II's Yr 2 Annual Report, there were 167 AgMentor (Agri-food Information and Advisory Services) Center beneficiaries. AgMentor, developed in 2017, is an extension of FARMA II's TA. It is intended to build sector service support structures aimed at creating multiplier mechanisms, a network of agricultural advisers, and public-private dialogue forums for replication and multiplication of FARMA II's technical support. AgMentor services are intended to be offered by both AgMentor physical and virtual means. Physical AgMentor centers have been established in two regions so far: in the northwest of BiH, implemented by CERD, and in the central region of BiH, implemented by REZ and Nesto Vise. The assistance provided by these centers to date includes business clinics, internship hosting, association (group) formation services, and B2B meetings. AgMentor also includes a web-based knowledge bank that provides: (i) agri-food information services, (ii) agri-food vocational training and education services, (iii) agri-business adviser information services, (iv) a platform impact monitoring system, and (v) call center support. This web platform is still being developed. Annex III provides additional information about AgMentor based on FARMA II documentation.

In terms of financial assistance, FARMA II has awarded approximately \$3.3 million in grants to 102 POs and four public institutions (educational institutions and chambers of commerce) as of January 2018.² This accounts for 95 percent of FARMA II's total grant fund. These awards have been made through seven requests for applications. In general, these grants last for approximately two to three years and require a minimum of a 50 percent cost share contribution from grantees. The goal of the grant fund is to grow sales and exports by encouraging improvements in product value-added activities, quality, standards, consistency, and overall quantities.

Related to Objective II, FARMA II works to improve the enabling environment for agriculture and agribusiness with an emphasis on strengthening food quality infrastructure needed for implementation of the European Commission's Instrument for Pre-Accession Assistance in Rural Development (IPARD).³ Efforts to achieve these goals include:

- *Legislation and regulatory support to the public sector* - Engaging with government officials to advocate for the adoption of EU and international standards and aligning regulations with these requirements

¹ Based on the November 2017 database.

² Based on FARMA II's database.

³ IPARD assists with the implementation of the EU acquis concerning the Common Agricultural Policy and contributes to the sustainable adaptation of the agricultural sector and rural areas.

- *Public sector market certification services* - Building the capacity of public institutions to implement these standards through training on quality standards and inspections and providing TA to government institutions for adoption of regulations to support compliance with EU requirements

In the first two years of implementation, FARMA II's work related to government services and regulations included training of inspectors, certification trainings, laboratory accreditation, legislative gap analysis, export road map updates, and work on regulatory guidelines. FARMA II's work to support to the public sector also includes assistance in drafting more than 15 new regulatory documents, the majority of which have since been officially endorsed and adopted by the relevant authorities. Among these, FARMA II assisted with the drafting of the BiH Strategic Plan for Rural Development (SPRD), including a detailed Sectoral Analysis, aimed at attracting needed technical support and investment from the EU. In January 2018, the Council of Ministers of BiH approved the SPRD and the BiH Parliament adopted the document in February 2018. Other documents supported by FARMA II include: assessment of EU harmonization requirements and gap analysis; regulatory impact assessment (RIA) of the draft FBiH Veterinary Law; various regulatory acts harmonized with EU requirements related to preparation of poultry for export to the EU; draft decisions on categorization of establishments dealing with food of animal origin for both entities, as well as instruction for categorization of establishments dealing with food of animal origin; and BiH methodological guidelines for official control in fruit plant production for inspectors for certification schemes, control of CAC plant material, sampling, and testing.

FARMA II's support in public sector market certification services included, for example, supporting the State Veterinary Office (SVO) in a Poultry Export Preparedness training, providing TA to BiH Food Safety Agency (FSA) staff on data collection, providing training and TA to laboratory staff of the Agro-Mediterranean Institute and Federal Agricultural Institute to conduct pollen analysis of honey samples to determine quality/purity, drafting the *Guide for Accreditation of Microbiological Laboratories* for testing laboratories for accreditation in microbiological examination of food and animal feed, water, and environmental samples, and the *Assessment of the Phytosanitary Laboratory for the Federal Agro-Mediterranean Institute* to assist in their process of authorization of laboratories for official controls.

Exhibit I shows FARMA II's current LogFrame, including 2016 and 2017 actuals to track progress towards achieving the Objectives outlined above.

Exhibit I. FARMA II Activity LogFrame (as of FY2017)

	Result Name	Indicators	2016 Actual	2017 Actual	Life of Activity Target
Activity Purpose 1	<i>Improved capacity of private sector to compete in the market economy</i>	1. Percent change in exports of assisted POs 2. Percent change in sales of assisted POs	98% 21%		90% 65%
Activity Sub-purpose 1	<i>Integrated growth: Increased trade and exports of private enterprises and other partners/beneficiaries</i>	3. Number of POs receiving FARMA II TA for improving business performance 4. Output (sales) of assisted POs as a percentage of total sub-sectoral output 5. Number of new full time officially registered jobs in FARMA II-assisted POs	29 9.2% 55	168 (226) ⁴	2,000 58% 2,100
Activity Outcome/Output 1.1	<i>Improved capacity of private enterprises and other partners/beneficiaries</i>	6. Number of private legal entities (PLE) and individual farmers (IF) certified in accordance with EU acquis and market requirements	0 PLE	10 PLE	60 PLE
			0 IF	349 IF	560 IF
Activity Sub-purpose 2	<i>Investment growth: Increased investment into private sector</i>	7. Total value of new investment in assisted POs	2.25mil BAM		22.44mil BAM
Activity Outcome/Output 2.1	<i>Improvement in government services and regulations relevant for business activity</i>	8. Number of public sector organizations certified in accordance with EU acquis and market requirements	0	0	10
		9. Number of pieces of legislation related to agriculture and food harmonized to the EU acquis drafted and submitted to the Government(s) of BiH	7	15	40

⁴ Due to differences in understanding PIRS definition of “assisted PO” (Sheet #3), FARMA II reported 225 “assisted POs” and the evaluation team confirmed 157.

3. EVALUATION METHODS AND LIMITATIONS

3.1. METHODOLOGY AND DATA COLLECTION

To further evaluate FARMA II’s progress, the research team employed a mixed methods approach and triangulated data across the following sources to answer each of the evaluation questions:⁵

1. FARMA II design and implementation documentation and databases, including award and award modification, work plans, quarterly reports, annual reports, monitoring and evaluation (M&E) documentation, and deliverables within FARMA’s work with the public sector
2. Secondary documentation relevant to FARMA II, such as documentation from the European Commission and the World Bank, as well as documentation from relevant BiH government/public institutions⁶
3. 74 semi-structured key informant interviews (KIIs)
4. Online survey of FARMA PO beneficiaries⁷

Overall, 74 KIIs were conducted with the eight broad types of stakeholders, as shown in Exhibit 2. The semi-structured KIIs were consolidated for a thematic analysis for each evaluation question, and coding categories were applied when reviewing the interview transcripts. The qualitative analysis of interview transcripts followed a process of consolidating multiple responses related to a similar theme that are mentioned by different categories of respondents, and analyzing them for general findings. In this manner, we were able to identify common themes.

Exhibit 2. KIIs by Category

	Number of Interviews
Assisted Beneficiaries - Grantees	14
Assisted Beneficiaries - Non-grantees	17
Other Beneficiaries	8
AgMentor Beneficiaries*	3
Public Sector Stakeholders/Beneficiaries	17
Non-Beneficiaries	3
Implementers	6
Donors	4
Other international organizations	2
TOTAL	74

*Seven interviews from two previous categories were also AgMentor beneficiaries, and four interviews with implementers were conducted with AgMentor implementers.

⁵ Data collection instruments are provided in Annex IV.

⁶ The full list of documents reviewed is available in Annex V.

⁷ A sample of non-beneficiaries were also surveyed. However, the response rate among this group was particularly low (7.3 percent), and these individuals were therefore removed from the analysis.

The online survey was emailed to all FARMA II PO beneficiaries. As shown in Exhibit 3, the overall beneficiary response rate was 40.8 percent which subgroup response rates ranging from 69.2 percent for FARMA II grantees to 23.5 percent for other beneficiaries.

Exhibit 3. Online Survey Response Rates

Respondent Type	Response Rate
FARMA II Grantees	69.2%
FARMA II Non-grantees	47.7%
FARMA II Other Beneficiaries	23.5%
AgMentor	45.0%
OVERALL	40.8%

As illustrated in the evaluation matrix in Exhibit 4, data from these various sources were triangulated to address the same questions and sub-questions from multiple perspectives whenever possible. Comparing and contrasting data allowed the evaluation team to gain a more complete understanding of the issues and provide greater confidence in the findings.

Exhibit 4. Evaluation Matrix

QUESTIONS	DATA SOURCES AND DATA COLLECTION METHODS	RESEARCH DESIGN
<p>1. What progress has been achieved in reaching contract targets (jobs, investment, exports, sales, reaching to private sector beneficiaries-scale of assistance) and what are the prospects of meeting life of activity contract targets (based on stakeholders' perceptions, implementers' plans, and the calculations of progress needed in the remaining Activity period)?</p>	<p>FARMA II design and implementation documentation/databases review and secondary documentation from international organizations/donors and BiH authorities</p> <p>FIA/APIF data on financial statements</p> <p>Key informant interviews with USAID/BiH and Sweden staff; FARMA II implementers; FARMA II PO beneficiaries (grantees, TA recipients that qualify as assisted beneficiaries, other TA beneficiaries, and AgMentor beneficiaries); FARMA II public-sector beneficiaries/stakeholders; non-beneficiaries in FARMA II subsectors; and other donors/international organizations.</p> <p>Online survey of FARMA PO beneficiaries</p>	<p>Mixed methods</p>
<p>2. Has the technical approach outlined in FARMA II's workplan for 2017 (including AgMentor approach) produced results in terms of increase of sales, exports, new jobs and scale of assistance, and their magnitude in relation to contract targets (based on stakeholders' perceptions and the calculations of estimated progress towards achieving expected results and targets in 2017)? How has this technical approach been implemented and how is it perceived by beneficiaries in terms of relevance and effectiveness of two different forms of assistance: assistance through the grants component and all other forms of assistance (TA, AgMentor, and other).</p>	<p>FARMA II design and implementation documentation/databases review and secondary documentation from international organizations/donors and BiH authorities</p> <p>FIA/APIF data on financial statements</p> <p>Key informant interviews with USAID/BiH and Sweden staff; FARMA II implementers; FARMA II PO beneficiaries (grantees, TA recipients that qualify as assisted beneficiaries, other TA beneficiaries, and AgMentor beneficiaries); FARMA II public-sector beneficiaries/stakeholders; non-beneficiaries in FARMA II subsectors; and other donors/international organizations.</p> <p>Online survey of FARMA PO beneficiaries</p>	<p>Mixed methods</p>
<p>3. How do public-sector partners (MOFTER, entity ministries, SVO, FSA, PHA, entity inspectorates) perceive relevance and effectiveness of FARMA II assistance? How has FARMA II's assistance to public-sector partners been implemented?</p>	<p>FARMA II design and implementation documentation/databases review and secondary documentation from international organizations/donors and BiH authorities</p> <p>Key informant interviews with USAID/Sweden staff; FARMA II implementers; FARMA II public-sector beneficiaries/stakeholders; and other donors/international organizations.</p>	<p>Mixed methods</p>
<p>4. Has the FARMA II's TA lead to progress on adopting the Rural Development Strategy at the state level and achieving relevant contractual expected results and how? How has FARMA II's assistance in Strategy preparation/adoption been implemented?</p>	<p>FARMA II design and implementation documentation/databases review and secondary documentation from international organizations/donors and BiH authorities</p> <p>Key informant interviews with USAID/BiH and Sweden staff; FARMA II implementers; FARMA II public-sector beneficiaries/stakeholders; and other donors/international organizations.</p>	<p>Mixed methods</p>

3.2. EVALUATION LIMITATIONS

Potential limitations of this evaluation include:

- 1. Response bias.** The majority of the key informants and survey respondents had direct interaction with FARMA II activities and may overstate the positive effects of the interventions and understate its negative effects. We mitigated this to the extent possible by drawing on multiple sources of information, guaranteeing the interviewees' confidentiality, and carefully designing and implementing data collection to request specific examples from the KIs to describe their responses. We also ensured broad coverage of the stakeholders in the KIs and surveys and included external stakeholders and non-beneficiaries in the KIs.
- 2. Data contamination.** As other donor interventions and international organizations have been supporting the agricultural sector in similar areas of work as FARMA II, it may be challenging for respondents to isolate FARMA's contribution.
- 3. Recall bias.** Additionally, FARMA II began implementation in 2016 and respondents may not clearly remember activities that occurred early in implementation. To mitigate recall bias, we triangulated respondents' answers with historical reports and IP's records.
- 4. Selection bias.** The number of stakeholders and beneficiaries of FARMA activities is large; thus, not all could be interviewed. To mitigate this for the KIs, we sampled individuals from across sectors, institutions, and geographies. We also conducted online surveys, which were sent to all PO beneficiaries identified by FARMA II for which email addresses were available.
- 5. Lack of official financial reports for 2017 indicators.** The official tax records for 2017 will not be available until late spring 2018. Therefore, the most recent data necessary for calculating FARMA II indicators are not yet available. Additionally, not all POs are registered with or submit financial reports to FIA/APIF. To address this, the evaluation team collected financial estimates through online surveys. However, some POs were reluctant to share these data or may not have provided accurate estimates.
- 6. Period of implementation of some aspects of FARMA II technical approach.** The AgMentor approach, which was examined under evaluation question 2, has begun piloting implementation of its services provided through physical AgMentor centers. However, virtual services are still being developed and are not yet available to potential users. Thus, the evaluation team examined stakeholders' perceptions about the relevance of planned approach overall, as well as stakeholders' feedback on the usefulness of the services provided under AgMentor Centers so far.

4. FINDINGS AND CONCLUSIONS

EVALUATION QUESTION 1: WHAT PROGRESS HAS BEEN ACHIEVED IN REACHING CONTRACT TARGETS (JOBS, INVESTMENT, EXPORTS, SALES, REACHING PRIVATE SECTOR BENEFICIARIES-SCALE OF ASSISTANCE) AND WHAT ARE THE PROSPECTS OF MEETING LIFE OF ACTIVITY CONTRACT TARGETS (BASED ON STAKEHOLDERS' PERCEPTIONS, IMPLEMENTERS' PLANS, AND THE CALCULATIONS OF PROGRESS NEEDED IN THE REMAINING ACTIVITY PERIOD)?

4.1. EVALUATION QUESTION I - FINDINGS

Finding 1: Because of the lack of a baseline survey and the Activity design, the FARMA II technical approach does not allow for an impact assessment to establish a causal relationship between FARMA II activities and the business results of assisted POs. In the absence of such an approach, as requested in the RFP, the progress of assisted POs along key indicators cannot conclusively be attributed to FARMA II.

Finding 2: The measurement of updated progress in reaching contractual targets related to sales, exports, and the number of new jobs according to the method outlined in the Activity Monitoring and Evaluation Plan (AMEP), is not possible without an accurate list of validated assisted POs supported by the Activity, validated sub-sectoral output, and updated FIA/APIF data. FARMA II's list of assisted POs includes organizations that do not meet the definition of POs included in the AMEP. The AMEP defines POs as:

A number of entities with legally recognized status within BiH and includes private companies, enterprises, cooperatives, associations, NGOs, and craft organizations. FARMA II only considers POs who have a legally recognized status, including farmers who are legal entities, primary producers, enterprises and/or agri-food processors. Legally recognized status includes all entities who provide financial statements submitted to AFIP/APIF, or at minimum some kind of official documentation (VAT statements, payments of contributions, etc.) with record of sales and employment numbers. Independent, commercial or non-commercial farmers whose activities are part of the shadow economy do not contribute to this indicator.⁸

However, FARMA II's list of PO beneficiaries includes organizations that do not fit this definition, such as schools and public institutions. Without a common classification of what counts as an assisted PO between the AMEP and FARMA II databases, it is not possible to determine baseline for some of the contractual indicators, including sales and exports.

Additionally, the AMEP defines FIA/APIF data as the sole secondary administrative data source that can be used for determining progress in reaching the contractual targets related to sales and exports. However, the most recent data will not be available until Spring 2018. Without these data, it is not possible to determine updated annual outputs and other contractual indicators, as prescribed by the AMEP methodology. To address this, in the remainder of this section, we rely on 2017 estimates based on survey data collected by the evaluation team.

⁸ Source: FARMA II Revised AMEP (Version of 211117)

Finding 3: The total number of POs in assisted sub-sectors has not been established, limiting the availability of baseline data for monitoring and evaluation.

During the first four months after commencement of the Activity, FARMA II was required to conduct a baseline survey and determine: the total number of POs, the number of employees, sales and export figures, POs’ obstacles to growth, gender equality constraints, and rural access to finance. The baseline survey was performed through phone interviews with a sample 83 “primary companies” and 61 respondents from the four subsectors targeted by FARMA II. However, the baseline survey⁹ did not identify the population of POs or provide sufficient data to establish a baseline for the Activity’s contractual targets and indicators that would allow for evaluation of progress and impacts of FARMA II interventions.

“The Contractor must work with CERD to conduct a survey of target value chains in the first four months of FARMA II. This Value Chain Baseline Survey instrument will be used to collect data about POs (sales, employment including employment figures for producers in their value chains, exports), which will provide baseline data for indicators”

“Baseline assessment described above (Step 1) will incorporate a review of financial sector needs, including insurance, across target sub-sectors from both the supply and demand sides. The assessment will also provide a comprehensive financing plan for all sub-sectors that will include a range of supply and demand side interventions to help mobilize private sources of finance to POs, farmers, and cooperatives.”

Finding 4: Without relevant baseline data, it is unclear whether the life of activity target of providing TA to 2,000 POs is possible. Because the baseline survey did not establish the total population of POs in the four targeted sub-sectors, it is unclear if the population of POs is large enough for this target to be achievable. Based on data extracted from the FIA/AFIP database, the evaluation team determined that on December 31, 2015, the total number of POs in the four FARMA II targeted sub-sectors was 1,614, which is lower than the life of activity target of 2,000.

Finding 5: There appear to be inconsistent definitions of POs between the AMEP and FARMA II’s database, which may result in inconsistencies in reporting on performance indicators. FARMA II reported that 226 assisted POs received TA from the Activity. However, the evaluation team’s review of FARMA II databases found that of the 226 beneficiaries counted as assisted POs by FARMA II, 59 did not meet the criteria for this category as outlined in the AMEP. Regardless of this difference, using the more generous numbers reported by FARMA II, the Activity only managed to provide TA to less than 50 percent of the target number of assisted POs in 2017 (see Exhibit 5).

Exhibit 5. Number of Assisted POs Receiving FARMA II TA

Period Year	# of “Assisted POs” - Indicator values	
	Targets from AMEP	Achieved
CY2016	29	29
CY2017	500	196
CY2018	1,200	N/A
CY2019	1,700	N/A
CY2020	2,000	N/A

Source: FARMA II database.

⁹ Conducted in February-March 2016.

Finding 6: Based on data from both FIA/AFIP (2016 data) and the survey conducted by the evaluation team (2017 data), FARMA II beneficiary POs particularly well on indicators related to new jobs created and exports (see Exhibit 6).¹⁰ Values on these performance indicators were more than twice as high as targets for 2017. However, the Activity underperformed on performance indicators related to sales and sales of assisted POs as a percent of sectoral output. In terms of the increase in sales of assisted POs, performance to date is at 62.4 percent of the 2017 target (i.e., 15.6 percent actual vs. 25 percent targeted).¹¹ To calculate these indicators, the evaluation team used the method outlined in the AMEP.¹² Due to the absence of the official FIA/AFIP data for 2017, the evaluation team directly surveyed POs assisted and reported by FARMA II. To ensure accuracy and comparability, these values should be updated as soon as the 2017 FIA/AFIP data become available. Moving forward, progress toward targets on indicators related to sales may slow. With additional assistance, many other beneficiaries may be able to move into the assisted beneficiary category. However, these additional POs performance tends to be smaller across all key indicators. In other words, to this point in time, FARMA II has likely worked with some of the stronger POs in BiH, and therefore its project results as measured by the indicators (exports, etc.) will be skewed more positively. In the future, as the project expands its presence and the number of POs it supports, it's possible these additional POs will be weaker organizations, therefore, FARMA II's may have a more difficult time in future in meeting is expected indicators.

Exhibit 6. Performance Indicator Values for Assisted POs in 2017

	Assisted POs 2016 (FIA/AFIP)	Assisted POs 2017 (survey)	Estimated Actuals for 2017 (survey)	Target for 2017 (AMEP)
Sales (mill BAM)	285.1	329.6	15.6%	25%
Exports (mill BAM)	55.8	85.9	53.9%	25%
# of new employees	1,596	2,220	624	350
Sales of assisted POs as % of total subsectoral output	285.1	329.6	33.2%	40% (397.4) ¹³

Source: FIA/AFIP data and MEASURE/BiH survey data.

Note: The survey asked respondents to estimate these values for 2017 and subsequent years. These estimates may have been influenced by response bias, as noted in Section 3.2. Regarding the performance indicator of new full-time officially registered jobs, the Activity LogFrame (Exhibit 1) shows that POs assisted by FARMA II during 2016 increased their total number of employees by 55. Exhibit 6 shows that POs assisted by FARMA II in 2017 increased their total number of employees by 624 - from 1,596 in 2016 to 2,220 employees at the end of 2017.

¹⁰ As noted previously, a limitation of the survey is that values were estimated by respondents and accuracy may be limited. Therefore, survey results are not expected to be as reliable as those from the FIA/AFIP database. The 2017 estimates, which are based on the survey data should be updated as soon as these FIA/AFIP data are available.

¹¹ Due to issues related to the definition of the “investment” indicator, survey data are not included in presentation of results.

¹² “FARMA II M&E Expert will collect secondary administrative data from FIA/APIF, officially collected from the companies by FIA/APIF within the financial statement reporting. In the cases FIA/APIF data is not available (if the POs are not required to report to FIA/APIF based on their legal form), FARMA II will directly survey the assisted POs and require verification documents submitted by POs to Government authorities.” USAID/SWEDEN Fostering Agricultural Markets Activity II (FARMA II); Revised Activity Monitoring and Evaluation Plan (AMEP); November 21, 2017.

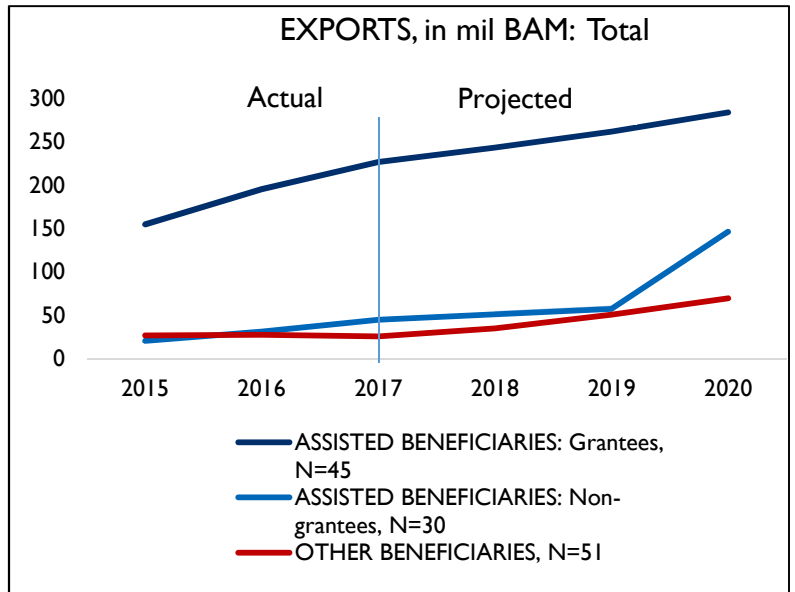
¹³ The target for 2017 related to performance indicator “Output (sales) of assisted POs as a percentage of total subsectoral output” is 40 percent of 993.4 million BAM of overall sectoral output.

Finding 7: Assisted grantees experienced continuously strong growth in exports between 2015 and 2017 (see Exhibit 7).

Based on survey data, they are optimistic about future prospects and anticipate that their exports will reach about 250 million BAM by 2020. There is also optimism about future export growth among assisted non-grantee POs, who expect to increase their exports to about 100 million BAM by 2020.

Overall, assisted beneficiaries (both grantees and non-grantees) expect to increase exports 245 percent between 2015 and 2020. Other beneficiaries reported decreases in exports in 2017 compared to 2015 and expect that exports will increase until 2020 at about 40 million BAM.

Exhibit 7. Actual and Expected Exports among Beneficiaries

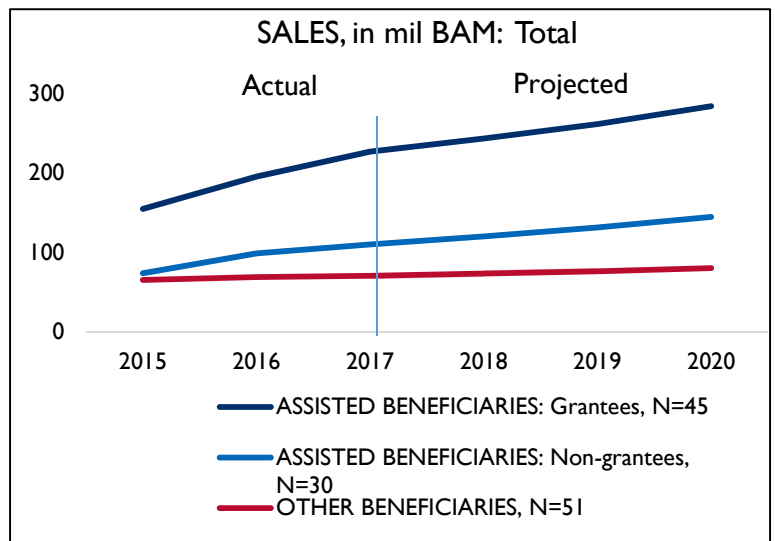


Finding 8: Assisted POs (both grantees and non-grantees) experienced continuous strong growth in sales between 2015 and 2017 (see Exhibit 8).

However, there are substantial differences in the total value of sales between the two groups. In 2015, grantees already outperformed non-grantee assisted beneficiaries by about 50 million BAM and this difference is expected to increase to about 100 million BAM by 2020. Grantees and assisted non-grantee beneficiaries anticipate similar rates of increase in sales.

Among other beneficiaries, sales stagnated between 2015 and 2017 and this group does not expect substantial changes in the next three years. According to survey data, other beneficiaries expect their sales to remain below 100 million BAM.

Exhibit 8. Actual and Expected Sales among Beneficiaries

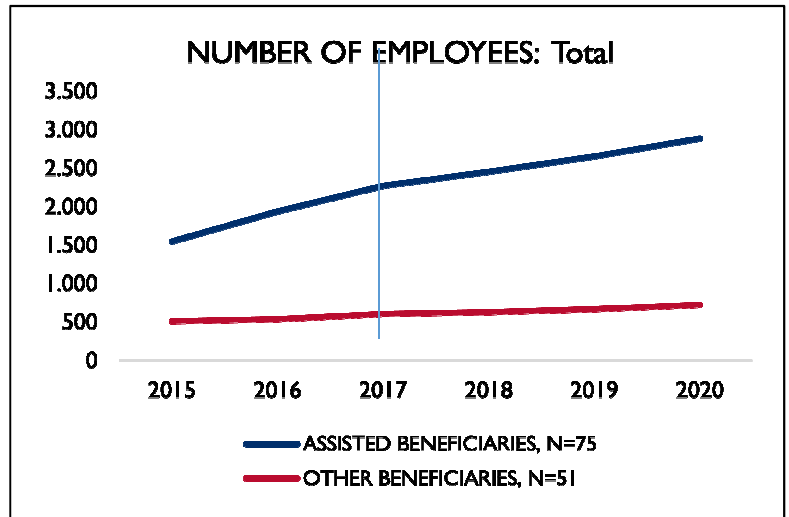


Based on reported survey data for 2017, total current sales of all assisted beneficiary respondents (both grantees and non-grantees) increased by 47 percent, compared to 2015. In the same period, total current sales all other beneficiary respondents increased by 8 percent. Additionally, assisted PO respondents expect to increase their total sales by 87 percent, by 2020 compared to 2015, and other beneficiary PO respondents expect increase of their total sales of about 22 percent by 2020 compared to 2015.

Finding 9: Assisted beneficiaries (both grantees and non-grantees) had more employees than other beneficiary POs in 2015 (1,547 compared to 213 employees, respectively). As shown in Exhibit 9, both groups of POs continued to hire more employees in 2016 and 2017 and expected to continue with new hiring through 2020. Assisted beneficiaries employed 2,270 people in 2017 (47 percent more than in 2015) and expect to have 2,887 employees by 2020 (an 87 percent increase compared to the baseline). Other beneficiaries employed 606 people in 2017 (an 18 percent increase compared to the baseline) and they expect to hire an additional 119 workers by 2020 (a 41 percent increase compared to the baseline).

Exhibit 9. Actual and Expected Number of Employees among Beneficiaries

Source: MEASURE BiH Survey



Finding 10: More than 75 percent of POs interviewed stated that sub-sectors supported by FARMA II experienced continuous growth over the previous three years. About 23 percent of interviewed POs who responded to the question reported that these four sub-sectors had stagnated during this period. Approximately 60 percent of POs that expressed their opinion on future growth prospects in the sub-sectors supported by FARMA II felt that these sectors will continue to experience strong growth. About 40 percent of POs that expressed their opinion believe that there will be stagnation in production in the targeted sub-sectors in the next two to three years. In particular, some interviewees felt that the poultry, dairy, and fruit and vegetable sub-sectors will experience a decrease in the number of producers as a result of structural changes in sub-sectors in which small producers are unable to withstand competitive pressures.

4.2. EVALUATION QUESTION I - CONCLUSIONS

Conclusion 1: Given the available data and Activity design, it is not possible to attribute the assisted POs' business performance to FARMA II interventions. Although USAID's request for FARMA II proposals required a technical approach that is suitable for an impact evaluation, which would be the only way to demonstrate the causal relationship between the FARMA II interventions and beneficiaries' business results, the ultimate Activity design did not allow for an impact evaluation.

Conclusion 2: While there is progress on some indicators, given the Activity's design and limitations of the baseline survey, it is not possible to conduct an impact assessment, which would provide evidence that FARMA II interventions have produced or influenced a change in the sales and exports of assisted POs. Given the lack of a technical approach that would allow for such an impact assessment, all FARMA II interventions related to POs should be examined with this limitation in mind.

Conclusion 3: It is likely that given past and present growth trends, export and jobs targets will be met at the end of the Activity's implementation. However, given the past trajectory, this may occur regardless of the existence of FARMA II.

Conclusion 4: Reaching the sales-related life of activity targets might prove to be a challenging task since FARMA II has underperformed on these indicators. Also, the other beneficiaries that have the potential to move into the assisted beneficiary category are relatively small compared to the existing pool of assisted beneficiaries. Data collected from FIA/AFIP databases as well as survey data clearly indicate that FARMA II's assisted POs include some of the largest companies and exporters from the dairy and poultry subsectors. This resulted in impressive performance in export and employment indicators. Moving forward, as those in the other beneficiary category participate in additional assistance, they will likely move into the assisted beneficiary category. However, the business results of these 657 other POs served by FARMA II are more modest and their growth rates are substantially lower than those of assisted POs from 2017. Therefore, it is expected that rate of progress toward life of activity targets on performance indicators related to business results will be reduced in the coming years.

Conclusion 5: At this point, FARMA II's ability to provide assistance to 2,000 POs depends largely on clearly defining and tracking those organizations that count as POs. An estimation of the level of effort needed to provide the necessary level of TA to POs over the next three years indicates that meeting the performance indicator related to number of assisted POs that received TA this target is feasible, given that a clear definition is agreed upon. However, following a slow start in 2016, the activity would have to continue delivering the 2017 level of output on annual basis in order to meet TA targets.

Conclusion 6: There are limitations in the ability of the present monitoring and evaluation framework, as outlined in the AMEP, to report on progress and the effect of the Activity's implementation. The FIA/APIF provides an incomplete source of information for monitoring. For example, the FIA/APIF database does not contain information for more than 50 percent of the assisted POs reported by FARMA II in 2017. Also, in the 2015 FIA/AFIP, there are only 1,614 POs in FARMA II's targeted sub-sectors, or 20 percent fewer than the contracted target number of POs expected to be assisted by the Activity.

Additionally, the FIA/APIF database contains business data only for legally registered companies and there are no data for companies registered in Brcko District. Nor are there data for other organizations, such as associations, NGOs and craft organizations that fall under the list of POs defined by the AMEP. While FARMA II's submitted list of assisted POs includes 106 grantees, 120 assisted non-grantees and 657 other beneficiaries, the FIA/AFIP database contains data on only 77 of FARMA II's grantees, 64 non-grantees, and 231 other beneficiaries.

EVALUATION QUESTION 2: HAS THE TECHNICAL APPROACH OUTLINED IN FARMA II'S WORKPLAN FOR 2017 (INCLUDING AGMENTOR APPROACH) PRODUCED RESULTS IN TERMS OF AN INCREASE IN SALES, EXPORTS, NEW JOBS, AND SCALE OF ASSISTANCE, AND THEIR MAGNITUDE IN RELATION TO CONTRACT TARGETS (BASED ON STAKEHOLDERS' PERCEPTIONS AND THE CALCULATIONS OF ESTIMATED PROGRESS TOWARD ACHIEVING EXPECTED RESULTS AND TARGETS IN 2017)? HOW HAS THIS TECHNICAL APPROACH BEEN IMPLEMENTED, AND HOW IS IT PERCEIVED BY BENEFICIARIES IN TERMS OF RELEVANCE AND EFFECTIVENESS OF TWO DIFFERENT FORMS OF ASSISTANCE: ASSISTANCE THROUGH THE GRANTS COMPONENT AND ALL OTHER FORMS OF ASSISTANCE (TECHNICAL ASSISTANCE, AGMENTOR, AND OTHER)?

4.3. EVALUATION QUESTION 2 – FINDINGS

Finding 11: A large part of FARMA II's core activities in 2017 were related to grant disbursement. FARMA II has received and processed 457 grant applications, of which 106 were approved during the second project year, totaling more than 5.4 million BAM. By the end of 2017, FARMA II had committed 92 percent of the total available grant funds, while more than 2.7 million BAM has already been disbursed (see Exhibit 10).

Exhibit 10. Grant Disbursements

Intervention type	Status	Total Value (BAM)
Grants (98 percent of funds disbursed)	15 grants to POs from dairy sub-sector	800,000
	11 grants to POs from poultry sub-sector	600,000
	42 grants to POs from fruit and vegetable sub-sector	2,200,000
	12 grants to POs from MAP sub-sector	1,650,000
	18 grants to beekeeping POs	

Source: USAID/SWEDEN FARMA II Year Two Annual Report, January-December 2017; January 31, 2018.

According to FARMA II's Y2 Annual Report, grantees have committed more than 7.9 million BAM in investment contributions, meaning that for each 1 BAM contributed by FARMA II, grantees contributed 1.45 BAM. To date, grantees' documented investments have reached 2.4 million BAM. Out of the total number of approved grants, 58 percent are from the Federation (FBiH), 40 percent are from Republika Srpska (RS), and 2 percent are from Brcko District (BD). Across sectors, 40 percent of grants have been awarded to POs in fruit and vegetables, 35 percent to those in MAP and honey, 14 percent in dairy, and 10 percent in poultry. The remaining 1 percent of total funds were awarded to those within cross cutting sectors.¹⁴

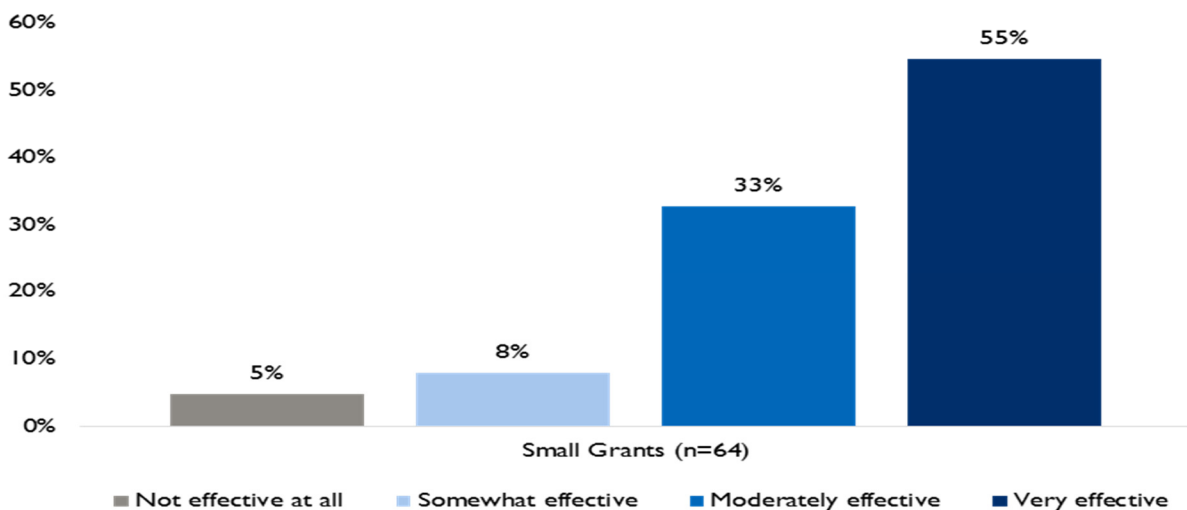
Before issuing calls for RFAs, FARMA II performed an agricultural sub-sector needs assessment to ensure that grant award criteria are addressing identified needs. This assessment found a need for capital investment grants. FBiH stopped providing subsidies for capital investment in 2012 and RS provides only partial subsidies for capital investment. Most FARMA II grants (98 out of 106)

¹⁴ USAID/SWEDEN FARMA II; Year Two Annual Report, January-December 2017; 31 January 2018.

are being used for equipment, reflecting this demand for capital investments. This was also the most frequently expressed need among POs in both KIIs and the survey. Many smaller POs requested grants to meet basic equipment needs.

Finding 12: About 55 percent of grantees believe that the grants had a strong positive effect on their business results (see Exhibit 11). This feeling was echoed in KIIs. Additionally, 33 percent of grantees believe that grants had a moderate effect on their business performance, while 13 percent of grantees believe that grant effectiveness as type of assistance is low. Based on surveys and information from KIIs, grantees believe that grants improved their business operations through automation of production processes, moving them up through the value chain, and strengthening the producer/processor chain.

Exhibit 11. POs' Perception of Effectiveness of Small Grants Assistance



Source: MEASURE/BiH survey.

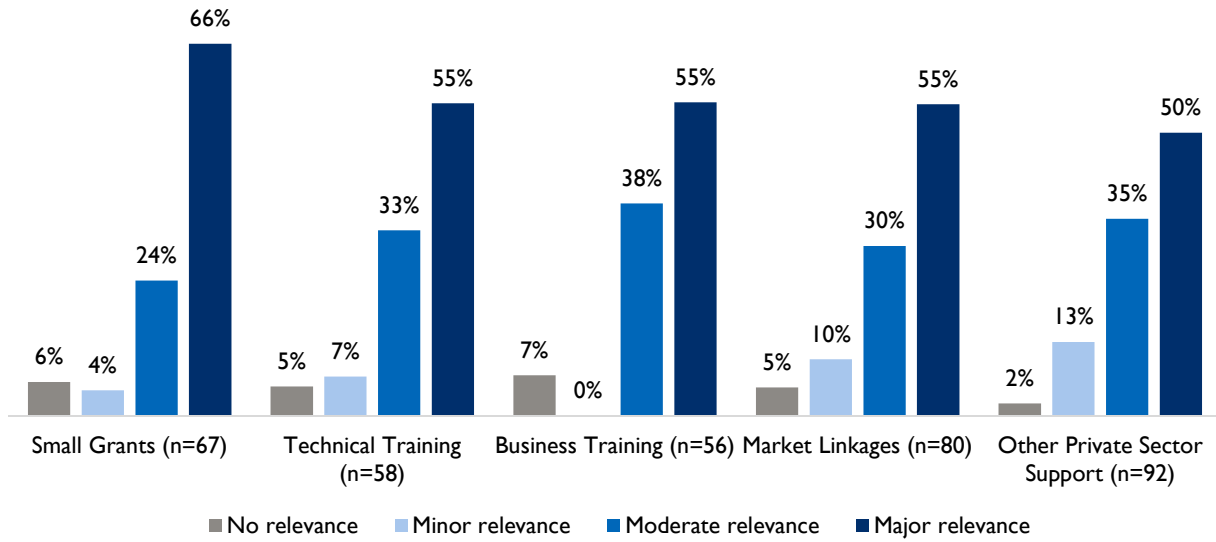
Finding 13: Rapid deployment and a high burn rate of grant funding was pursued in part to compensate for FARMA II's slow start and show beneficiaries and stakeholders that FARMA II is determined and committed to the Activity. According to FARMA II's management, when combined with other direct and indirect types of assistance, the effects of these grant contracts will slowly develop during the coming period of two to three years.

“Use grants as carrots, throw it around, spread it around... but the main rationale probably was to boost particularly from the slow start that we really needed to get out there and make sure that we had a grounding in organizations that could see that we were serious, that we wanted to see this value-added concept.”

Finding 14: Beneficiaries and stakeholders agree that both grants and TA are needed and that TA should be provided to grantees in coordination with grant disbursement. About 80 percent of interviewees who expressed an opinion believe that to achieve synergistic effects, there should be coordinated mechanisms for providing TA to grantees. However, 19 percent of surveyed POs that received TA from FARMA II did not apply for grants and were not aware of FARMA II grant opportunities.

As shown in Exhibit 12, POs surveyed believe that grants are somewhat more relevant in generating better business results than different types of TA. However, there is no substantial difference in POs' opinions on the relevance of different types of TA.

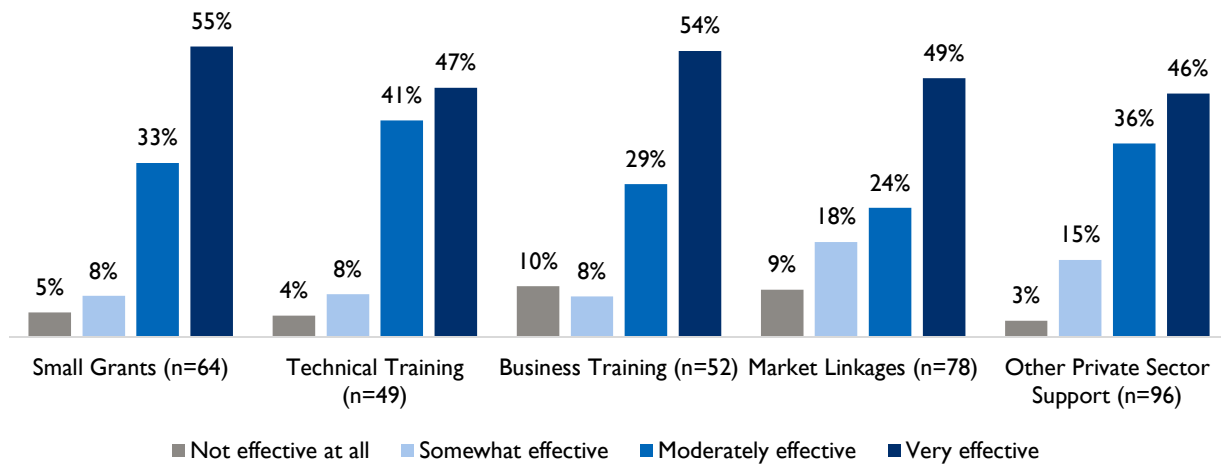
Exhibit 12. POs' Opinions of the Relevance of Different Types of Assistance for their Business Results



Source: MEASURE/BiH Survey.

Exhibit 13 shows that the POs surveyed feel that grants and TA are similarly effective in producing business results. Grants are perceived as slightly more effective than TA. Among types of TA, business training was perceived as the most effective.

Exhibit 13. POs' Opinions of the Effectiveness of Different Types of Assistance for their Business Results



Source: MEASURE/BiH Survey.

According to FARMA II's database, only 47 out of 106 grantees received TA of sufficient intensity and variety to earn the status of assisted POs. An additional 32 grantees received TA but not at the level that would grant them assisted PO status. About 23.5 percent (25 grantees) received no TA.

Finding 15: To date, FARMA II delivered 9,500 hours of TA to all POs (both assisted and other) and reached 179 assisted POs. An estimate of the number of hours of TA delivered to POs in 2017 indicates that FARMA II was able to compensate for a slow start of the Activity in 2016. To reach the life of activity target, FARMA II must deliver at minimum of 10,208 hours of TA to POs.¹⁵ Exhibit 14 shows a potential schedule and rough calculation of the scale of delivery of TA needed to reach contractual targets.

Exhibit 14. Estimated number of hours of TA required to reach Targets

TA delivery channels		2016	2017	2018	2019	2020
Minimum number of hours to be delivered to assisted PO as per contractual targets	POs	29	500	1,200	1,700	2,000
	Hours	232	4,000	9,000	13,600	16,000
Number of hours delivered to assisted POs	POs	29	179	0	0	0
	Hours	232	4,792	0	0	0
Number of hours delivered to other POs	POs	0	(657)	0	0	0
	Hours	0	4713	0	0	0
Number of hours needed to convert other POs to assisted POs	POs	0	0	(836)	0	0
	Hours	0	0	2,672	0	0
Number of hours to be delivered annually to reach the targets	POs	0	0	364	500	300
	Hours	0	0	2,912	4,000	2,400

Source: FARMA II's databases.

Finding 16: The evaluation team found inconsistencies between the number of organizations to which FARMA II reported having provided TA and the number of POs that received TA, according to FARMA II databases. In terms of the scale of TA provided, FARMA II reported 226 assisted POs. However, 59 of these were grantees that received no TA (see Exhibit 15). Using the AMEP definition, the evaluation team was able to confirm 168 assisted POs. Additionally, from FARMA II's list of 705 other POs, the evaluation team was not able to confirm the status of 300-400 beneficiaries due to difficulties in determining the sector to which they belong (using SIC code). The majority of these unconfirmed beneficiaries may be coming from sectors with no specific relation to the four FARMA II sub-sectors.

Exhibit 15. Number of Grantees that qualify for Assisted PO status

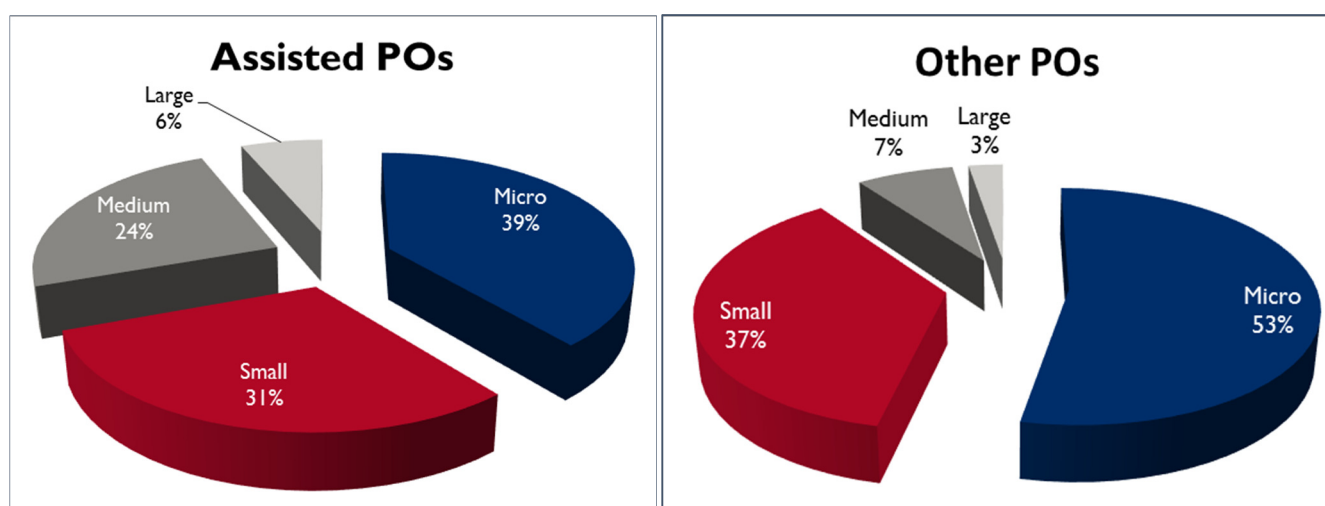
Type of assistance	Indicator values		
	Assisted POs	Other POs	Other (not POs)
Grants only		25	
Grants and TA	47	32	2

Source: FARMA II database.

Finding 17: Currently, FARMA II's assisted POs include some of the largest companies and exporters from targeted subsectors (see Exhibit 16). Particularly in the dairy and poultry sectors, this resulted in impressive performance in export and new employment indicators. Moving forward, as those in the other PO category participate in additional assistance, they will likely move into the assisted PO category. However, the business results of these 657 other POs served by FARMA II are more modest and their growth rates are substantially lower than those of assisted POs from 2017.

¹⁵ This is based on the eight hours of TA required for beneficiaries to achieve assisted beneficiary status.

Exhibit 16. Structure of Cohorts of Assisted POs and Other POs in Volume of Sales



Source: FARMA II Database

As seen in Exhibit 17, a comparison of the average number of employees shows that assisted POs tend to be larger than other POs. This suggests that progress towards relevant target could slow in the remainder of the Activity.

Exhibit 17. Size of Different Sub-groups of POs that are provided with TA in Terms of Average Number of Employees

	Average number of employees in sub-groups of POs
Assisted POs – grantees	41.2
Assisted POs non-grantees	32.7
Other POs	15.8

Source: FIA/AFIP.

As seen in Exhibit 18, the three largest companies from the poultry sub-sector are among the 5 POs receiving the highest number of different types of TA. Given that these POs are already included in the calculation of actuals, this could again slow progress toward relevant indicators moving forward.

Exhibit 18. Companies that Received the Highest Number of Types of TA

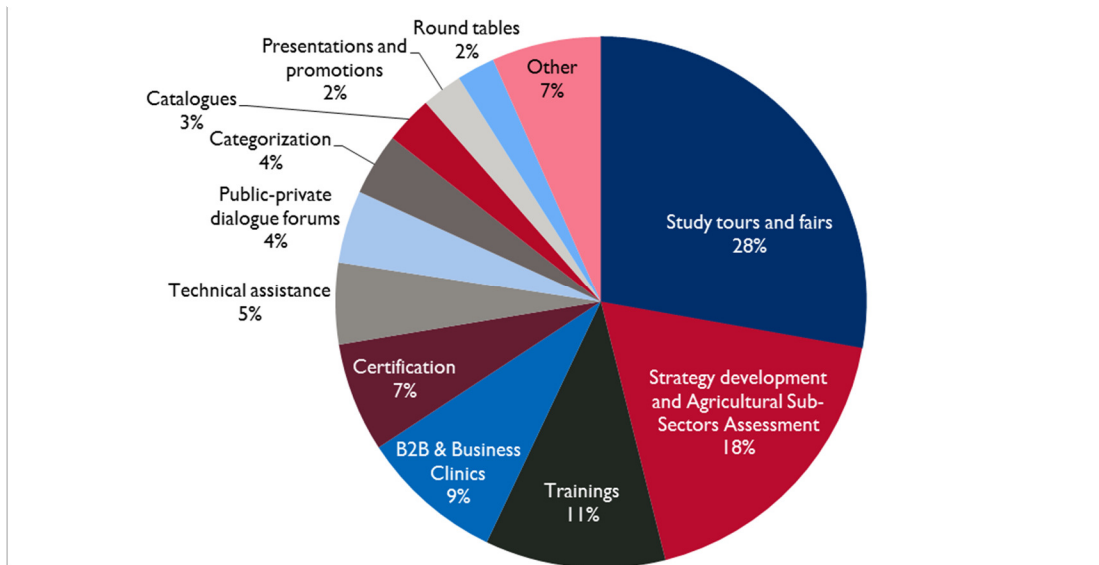
PO	Number of types of TA received in 2017
Bingo doo	11
Brovis dd	10
Madi doo	13

Source: FARMA II database.

Finding 19: In 2017, FARMA II supported PO attendance at 11 international and local fairs and study tours and 64 technical and business trainings, certifications, public-private dialogue forums, and round tables related to identification of priority issues in the sub-sector (see Exhibit 19). Study tours and fairs account for 28 percent of the total hours of TA provided by FARMA II and preparation of policy papers accounts for 18 percent of the total TA provided by FARMA II to POs. Public-private dialogue forums and round tables account for 6 percent while technical and business

trainings, market linkages services (B2B and business clinics), certification and, account for 11 percent, 9 percent, and 7 percent, of the total hours of TA delivered by FARMA II, respectively.

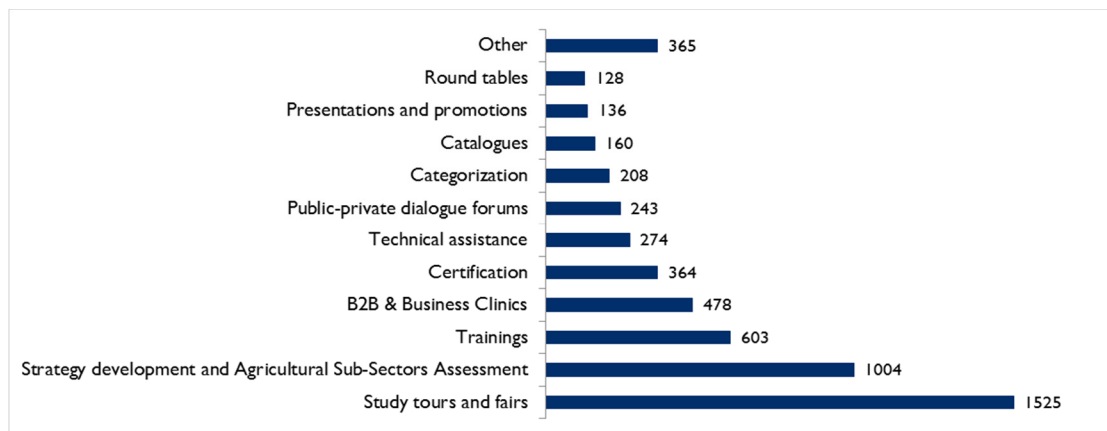
Exhibit 19. Types of TA Provided to POs by Total Hours



Source: FARMA II databases.

Finding 20: In the FARMA II databases, the development of the SPRD and the Agricultural Sub-Sectors Assessment was counted as technical support to POs. According to this database, 226 assisted POs and 657 other POs received, in total, 5,448 hours of TA (see Exhibit 20). The second-largest type of assistance provided to POs was development of the SPRD and the Agricultural Sub-Sectors Analysis and design and printing of two catalogues of exporters and fruit and vegetable POs. This accounts for a total of 1,164 hours of TA provided to POs. POs' participation in public-private forums account for additional 243 hours. Market linkages services (B2B, Business clinics, etc.,) account for 478 hours, and trainings account for 603 hours.

Exhibit 20. Types of TA and Total Hours of TA Delivered to POs



Source: FARMA II databases.

Finding 21: There are gaps in knowledge about the TA provided by FARMA II, however the TA is perceived as useful (see finding 13). Based on the survey conducted by the evaluation team, 55 percent of beneficiaries identify their priority needs to include TA and most priorities for TA are related to agribusiness (such as market placement and group formation). Additionally, the TA provided by FARMA II so far is generally perceived as useful. However, 50 percent of beneficiaries asked are unaware of FARMA II's TA activities, including overall availability of types of assistance and assistance plans.

Finding 22: FARMA II did not manage to reach targets set in the AMEP related to the certification of private legal entities. While the annual target for 2017 was 18 certified private legal entities, only 10 were certified. However, as shown in Exhibit 21, the Activity managed to certify more than the target number of individual farmers.

Exhibit 21. Number of Certified Private Legal Entities and Individual Farmers

Period year	Number of certified private legal entities and individual farmers			
	Target # of legal entities	Target # of individual farmers	Achieved # of legal entities	Achieved # of individual farmers
CY2016	5	58	0	0
CY2017	18	150	10	339
CY2018	33	320	n/a	n/a
CY2019	48	420	n/a	n/a
CY2020	60	500	n/a	n/a

Source: FARMA II database.

Finding 23: There were 157 AgMentor Centers unique beneficiaries as of January 2018.¹⁶ The assistance provided by these centers to date includes business clinics, internship hosting, association (group) formation services, and B2B meetings. As shown in Exhibit 22, the largest number of AgMentor center beneficiaries participated in business clinics (100 participants) followed by B2B facilitation (47 participants).

Exhibit 22. Number of POs and types of services provided by two AgMentor Centers

	Business Clinic Participation	B2B participation	Group Formation	Internships hosts	TOTAL
CERD	52	30	4	6	92
REZ	48	17	10	11	86
TOTAL	100	47	14	17	178

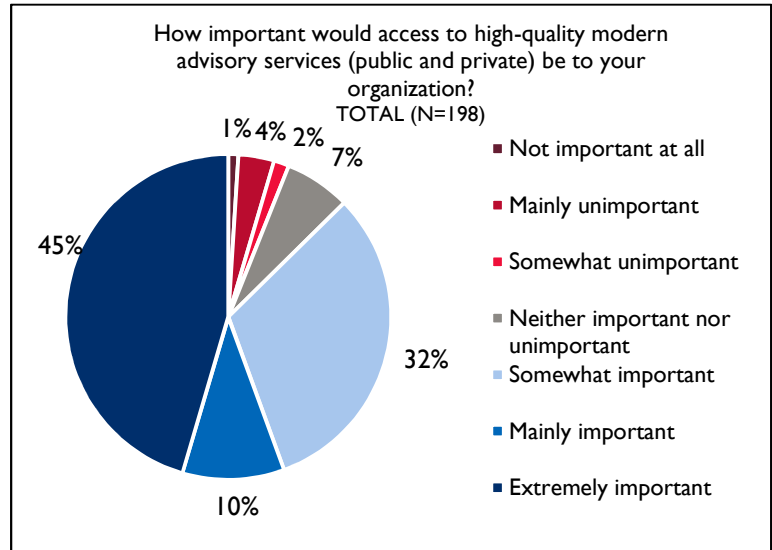
Finding 24: About half of the funds spent on subcontracts (approximately 700,000 BAM out of more than 1.3 million) were awarded for the establishment of the AgMentor approach. According to FARMA II's Y2 Annual Report, in 2016 and 2017, the Activity has awarded nine subcontracts, worth more than 1.3 million BAM. Three of these subcontracts were related to GlobalGAP and Organic certifications (signed in 2016) and two subcontracts support efforts to detect,

¹⁶ Based on FARMA II Yr2 Annual Report

monitor, and prevent lumpy skin disease and blue tongue in the national herd (signed in 2017). Four out of nine subcontracts awarded by FARMA II in 2017¹⁷ were related to development and piloting of a system for delivery of extension and advisory services. These four ongoing subcontracts are providing support for implementation of quality standards, targeted trainings for women entrepreneurs in MAP cultivation and beekeeping, and the provision of physical and virtual Agri-food business support services (AgMentor). The cost of AgMentor within these subcontracts is estimated to be approximately 700,000 BAM.

Exhibit 23. Importance of Advisory Services

Finding 25: Most beneficiaries interviewed and surveyed believe that there is a need for systematic high-quality advisory services that are well linked to PO needs (see Exhibit 23). Based on KIs, there is general support for connecting public and private advisory services, expanding and building advisory capacity (including in agribusiness advice), and linking advisors to POs. However, it was noted that these advisors need to be present in communities and knowledgeable about the local context.



Source: MEASURE/BiH Survey.

Finding 26: Existing advisory services are fragmented and are perceived to have low capacity.

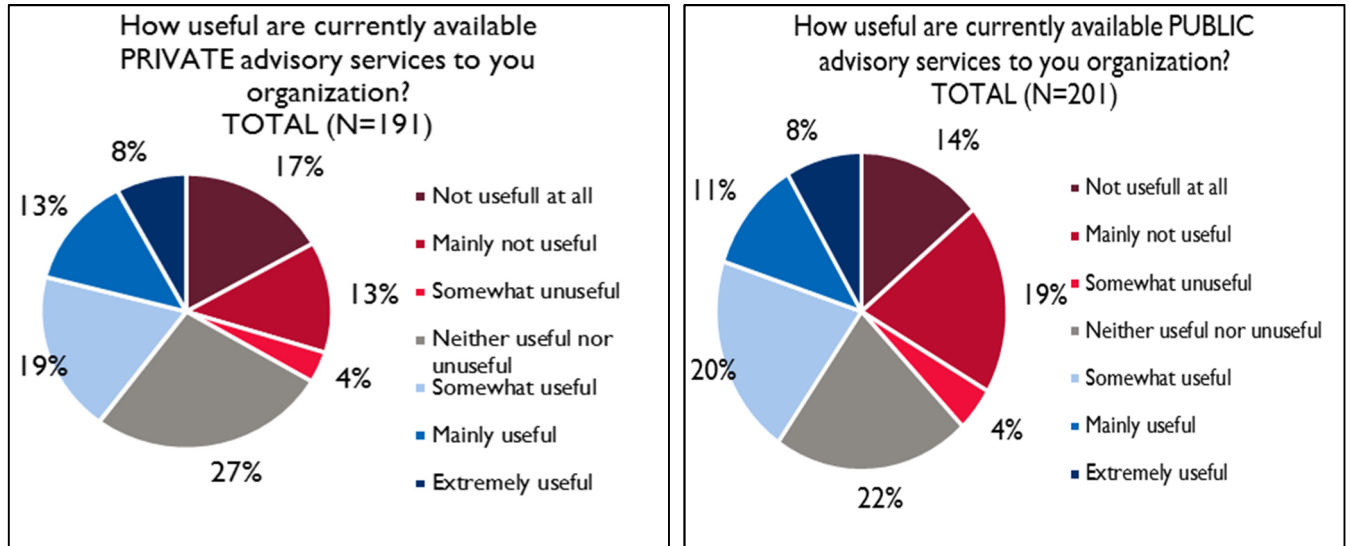
As shown in Exhibit 24, a minority of survey respondents thought that existing public or private advisory services were even somewhat useful. Additionally, 60 percent of KIs who expressed an opinion believe that existing public advisory services are not very useful, with some exceptions in the dairy sector, particularly in RS. The majority of interviewees agree that existing public advisory services in BiH are predominantly focused on primary agricultural production techniques and technology. The main challenges faced by public extension and advisory services in BiH are: an insufficient number of advisors, insufficient funding, lack of farm management services, and a primary focus on the fruit and vegetables and animal husbandry sub-sectors, production techniques, and administering subsidies.¹⁸

“It is necessary to strengthen existing public advisory services that are in a difficult position in FBiH. Advisory services should be placed within the public sector and should spend more time in the field with agricultural producers (70 percent) instead of dealing with management.”

¹⁷ CERD sub-contract was signed in 2016 and modified in 2017 in order to reflect CERD’s new role as the AgMentor Center.

¹⁸ Source: Sinisa Berjan and Hamid El Bilali; Agricultural extension and Advisory Services in Bosnia; January 2013. https://www.researchgate.net/publication/260247003_Agricultural_extension_and_advisory_services_in_Bosnia

Exhibit 24. POs' Perception of Usefulness of Private and Public Advisory Services



Source: MEASURE/BiH Survey.

Finding 27: About 55 percent of POs and other beneficiaries asked about AgMentor had not heard of the approach and AgMentor physical centers.

Some POs present at the conference on advisory services knew about the AgMentor concept based on a presentation of the AgMentor web portal delivered at that conference. However, there is a general lack of information and understanding of the AgMentor approach among POs, key stakeholders, and donors. This is partly because the approach is not well communicated to POs and stakeholders and partly because it has not yet been fully implemented. However, when the AgMentor rationale and concept were briefly outlined to interviewees, most felt that it would be a useful way to access resources and advisors.

“The farming community is definitely aware that something is coming but they don’t know what it is.”

“So it’s not there yet if you went out to evaluate and asked ‘what do you think about AgMentor?’ you’d get a complete blank except for us and subcontractors and a handful of advisors.”

Finding 28: Stakeholders were positive about the AgMentor concept but had concerns about its sustainability.

When the AgMentor concept was briefly explained to beneficiaries, in approximately 80 percent of cases, they felt that it would be a useful way to access resources and high-capacity advisors. However, beneficiaries and stakeholders expressed concerns about ownership and sustainability of the AgMentor system. Many interviewees are of the opinion that the AgMentor system is not financially sustainable without further public sector or donor support and integration. During KIIs, several institutions expressed possible willingness to maintain the portal once FARMA II ends. These included an NGO, an agricultural association, and a public-sector institute. However, there had been no concrete discussion about what potential local ownership of the AgMentor system would look like once FARMA II ends. This is also true in the case of the AgMentor

“I am afraid it will not achieve the expected effects. First, is the issue of financing of private advisory services resolved? When you mention to our farmer that he is obliged to pay 20 BAM to advisers, I guarantee that 20 percent of farmers will accept that, but the remaining 80 percent will consider it a tax without benefits.”

—Public-sector institution

physical centers. Additionally, there was a concern that there would be limited ability of beneficiaries to pay for the advisory services offered by AgMentor once it was no longer subsidized by FARMA II.

Finding 29: There is a feeling that local stakeholders have not been sufficiently involved in implementing the AgMentor approach and that communication with stakeholders has been limited. There are a substantial number of institutions, private and civil society sector organizations, and individuals that currently provide advisory and extension services to POs. In terms of the provision of training and advisory services (including agri-business services), there are seven agricultural faculties and institutes in BiH: the Agricultural Faculty in Sarajevo, the Agricultural Faculty in Banja Luka, the Veterinary Faculty in Sarajevo, the Faculty of Technology in Banja Luka, Agricultural Institutes in Sarajevo, the Agrimediterranean Institute in Mostar, and the Agricultural Institute in Banja Luka. In BiH, extension and advisory services are provided by the RS Agency for Provision of Agricultural Services and by the cantonal agricultural extension and advisory services placed as organizational units within cantonal agricultural ministries in the FBiH. The Office of Extension Services situated within the Agricultural and Forestry Department of BD provides public agricultural and extension services in BD.

“During the Agronomis conference and workshop related specifically to AgMentor where FARMA II asked for suggestions about how to improve the concept, it was suggested that the AgMentor approach utilize existing institutional and human resources (e.g., cantonal level advisory services, RS Advisory service agency) and channel the assistance down to the local level. Cantonal advisory services were present at that conference and felt that there is no need to start from scratch and waste energy and money.”

The RS Government established the Agency for Provision of the Agricultural Services in 2004 as an independent public institution. It is headquartered in Banja Luka and has regional offices in Doboj, Bijeljina, Sokolac, and Trebinje with 21 advisors. Each regional office covers between nine and 21 municipalities. In addition to 21 advisors in the central and regional offices of the Agency, the RS public agricultural extension and advisory system also has municipal agricultural advisers, ranging from nine in Trebinje Municipality to 28 in Banja Luka City. The number and distribution of public advisors in the RS is shown in Exhibit 25. Generally, the service appears to be well appreciated and used, though it remains poorly equipped, underfunded, and generally under-manned (Arcotrass et al., 2006). Field advisors are part of the municipal administration. Public extension and advisory services in BiH provide these services to agricultural producers free of charge.

Exhibit 25. Number, Geographical Distribution and Expertise of the RS Public Advisory Services

Sub-sector	OFFICES AND # OF EMPLOYEES								Total
	Main office	B. Luka	Gradiska	Prijedor	Bijeljina	Doboj	Sokolac	Trebinje	
Cattle breeding	1	8	3	1	2	3	2	2	23
Crops and vegetables	1	0	3	0	3	1	1	1	10
Fruit production	1	1	0	1	0	1	0	0	4
Agro economy /business	1	0	0	0	1	0	0	0	2
Processing and control of agri-products	0	0	0	0	0	0	1	0	1
Other	4	3	5	2	5	5	3	2	29
Total	8	12	11	4	11	10	8	5	69

Source: <http://www.pssrs.net/public/index-en.php>

While there is coordination and general support for AgMentor from the FBiH Ministry of Agriculture, the RS Ministry of Agriculture believes that assistance should be provided through existing public advisory services, that FARMA II's work on advisory services has not been constructive, and that FARMA II communication and coordination has not been participatory. Other key stakeholders also feel that one of the main issues with the proposed approach is a low level of involvement and participation of relevant local counterparts.

Finding 30: Data from our survey and KII's show that AgMentor physical centers are not fulfilling the role of providing knowledge and expertise or linkages with the existing business service provider networks. The AgMentor physical centers are located far from many potential beneficiaries, who emphasized the need for advisory services in close proximity to them and that reflect local needs. The majority of interviewees emphasized the need for advisory services in close proximity to them and noted that these services should reflect specific local needs. However, the two AgMENTOR physical centers are geographically distant from the majority of agricultural producers and are understaffed and under-resourced to provide agricultural extension and advisory services across the country. These subcontractors overall do not have a reputation for agricultural subject matter expertise. Major stakeholders expressed concerns about the level of expertise of these two NGOs to serve as the main agricultural and extension service reference points in BiH. POs believe that to build the credibility of this approach, advisors' capacities need to be built and advisory services need to be subsidized. The majority of interviewees had not heard of REZ and CERD and a majority of interviewees do not know that these two organizations run AgMENTOR physical centers. About 30% of all interviewees, including major public sector stakeholders and donors stated that AgMENTOR should be implemented together with existing extension and advisory services (56% of interviews did not have any specific opinion about it).

4.4. EVALUATION QUESTION 2 - CONCLUSIONS

Conclusion 7: Given the emphasis that beneficiaries placed on receiving both grants and TA, FARMA II should reassess which POs have received grants and whether they can be provided with TA to maximize the effects of these grants.

Conclusion 8: All types of TA provided by FARMA II are perceived as useful, while business training was rated slightly higher than other types of TA. Additionally, many beneficiaries are not familiar with FARMA II's TA options, approach, and strategy.

Conclusion 9: FARMA II's 2017 approach relies on the multiplication of TA through AgMentor. While most stakeholders believe this could be a useful channel to access information, knowledge, and extension and advisory services, there are concerns about implementation to date, ownership, and sustainability.

Conclusion 10: In implementing AgMentor, there is limited evidence that FARMA II effectively built upon or coordinated with international donors and their local counterparts who were working on the development of similar public extension and advisory services in BiH. Although there is a general feeling that the public extension and advisory services in BiH are not comprehensive or effective, they are an important resource untapped by FARMA II.

Conclusion 11: There is limited evidence of the added value of the AgMentor physical centers. Also, these centers have difficulty providing adequate and necessary outreach and presence in the field among POs throughout BiH. While POs throughout the country noted the need for locally based advisory and information services, these AgMentor centers serve only a relatively small geographic areas and many POs expressed reluctance to travel to them. Because of these challenges and high costs, the sustainability of

physical AgMentor Centers is questionable. To date, there is limited indication of the existence of mechanisms that would ensure their sustainability after the completion of the Activity.

Conclusion 12: In terms of the AgMentor web portal, several institutions expressed possible willingness to continue maintaining the portal once FARMA II ends (e.g., an NGO, an agricultural association, and a public-sector institute). However, there has been limited planning for sustainability after the Activity ends.

EVALUATION QUESTION 3: HOW DO THE PUBLIC-SECTOR PARTNERS (MOFTER, ENTITY MINISTRIES, SVO, FSA, PHA, ENTITY INSPECTORATES) PERCEIVE THE RELEVANCE AND EFFECTIVENESS OF FARMA II ASSISTANCE? HOW HAS FARMA II'S ASSISTANCE TO PUBLIC-SECTOR PARTNERS BEEN IMPLEMENTED?

4.5. EVALUATION QUESTION 3 - FINDINGS

Finding 31: According to the FARMA II Y2 Annual Report, the Activity delivered the targeted 15 pieces of legislation related to agriculture and food harmonized to the EU acquis. These documents were drafted and submitted to the Government(s) of BiH. Out of 15 documents delivered and drafted, eight were delivered in 2017. These documents include: (i) F BiH Draft Veterinary Law; (ii) RS Decision, Instructions and Checklist for Categorization of Establishments dealing with food of animal origin; (iii) Decision on Categorization of Establishments dealing with food of animal origin and Instruction for Categorization of Establishments dealing with food of animal origin in F BiH; (iv) Instructions/guidelines for Sampling of Salmonella: sampling for broilers farms; sampling for laying hens flock farms; hatcheries; sampling for breeding flock farms; (v) Decision on Implementation of Program for Control of Salmonella in Poultry Sector in BiH for 2017; (vi) Program for Control of Salmonella in Broiler Farms (poultry breed Gallus Gallus) in Bosnia and Herzegovina; and (viii) Plan for Official Control in F BiH and RS for Sampling of Salmonella.

However, implementation of tasks has deviated from the activities and subtasks defined in FARMA II's award. For example, preparing the priority list for regulatory and institutional barriers in cooperation with BiH counterparts based on MOUs was not completed. The absence of a comprehensive plan for both legislative and regulatory assistance and training and certification resulted in the notion among public-sector stakeholders that this assistance was provided on ad-hoc basis.

Finding 32: Public-sector stakeholders generally feel that FARMA II's assistance related to certification and training has been relevant and effective. Eleven of the public-sector stakeholders receiving this type of assistance noted that the assistance provided to them addressed existing needs or resulted in tangible outcomes. Stakeholders explicitly noted that the support from FARMA II related to the animal registry database was particularly important. Staff from one veterinary station noted that FARMA II helped them to access the animal registration database, correct errors, and inform monitoring and sampling. Another public-sector stakeholder noted that FARMA II activities related to building capacity to assess and address risks provided a foundation for supporting inspection services. This ability to produce risk assessments allows them to provide inspectorates with the information necessary to take required actions in crisis situations.

Finding 33: FARMA II management believes it will be difficult to ensure engagement of the RS Ministry of Agriculture on legal and regulatory components.

From their perspective, the RS did not show an interest in cooperating on the drafting of the new Veterinary Law despite FARMA II's three attempts to initiate cooperation on that matter. However, to ensure that the Veterinary Law is harmonized horizontally and vertically, FARMA II considered the RS Veterinary Law and shelved drafts of the state-level Veterinary Law, while drafting the FBiH Veterinary Law.

“We provided some assistance to the RS I will tell you about, but regarding the Veterinary Law, once you initiated this support we also sent a letter to the ministry because they were also developing the new law, asking for some assistance that we do something in parallel, try to harmonize it. They were not really interested in that so we reached out again when we started drafting, and still there was no interest, but during the drafting process we had in mind the Republika Srpska law and also existing state-level law, as well as a draft which is on a shelf somewhere awaiting some other political momentum to be launched.”

—FARMA II's management

Finding 34: Communication and collaboration between FARMA II and key public-sector stakeholders has often been lacking. There have been a number of communication issues between FARMA II and public-sector stakeholders that have limited the potential for effective collaboration. About half of all public-sector stakeholders interviewed mentioned communication and collaboration challenges. These included issues such as a lack of responsiveness and a lack of information about FARMA II among public sector stakeholders.

Finding 35: Among three large public-sector stakeholders as well as a large PO, it was felt that a deterioration of communication with FARMA II was associated with changes in the Activity's leadership, early in implementation. However, in some instances, it was noted that FARMA II has made an effort to improve this relationship.

Finding 36: There is a general lack of comprehensive knowledge about FARMA II operations. Based on our interviews, public-sector stakeholders, particularly in the veterinary field, were unaware of FARMA II or had very limited engagement. For example, one veterinary station noted that they had not had any contacts with FARMA II at all. Another did not realize that FARMA II was doing any work related to veterinary inspections. Even when these organizations are aware of FARMA II, the Activity's role in providing services was often unclear. For example, when asked about assistance he had received related to animal registration, an official from one veterinary station was unaware that FARMA II had organized it.

Finding 37: Of the public-sector stakeholders receiving this type of assistance, there was mixed feedback about FARMA II's collaboration and responsiveness. Many relevant stakeholders explicitly noted that they had effective instances of collaboration with FARMA II. These stakeholders noted that they were able to work effectively with FARMA II to discuss needs and assistance and that there was timely communication with competent staff. Alternatively, a similar number of interviewees noted that FARMA II was not responsive to their requests for assistance and the assistance that was provided was imposed upon them rather than being demand-driven. At the operational level, stakeholders noted that FARMA II was able to effectively identify needs through its assessment process. However, they were not actively engaged in discussions with stakeholders about identifying needs. One stakeholder noted that under previous USAID Activities, users played a much more active role in suggesting interventions and defining the Activity. However, under FARMA II, this type of collaboration has been absent. Rather than feeling like they could collaboratively engage with FARMA II, some public-sector stakeholders felt that activities were being imposed upon them. However, they reported that FARMA II had made recent efforts to reach out to stakeholders to identify their needs. Among operational

stakeholders, three were turning to the Czech Development Agency for assistance, and some noted that the Czechs were faster and more effective in addressing their needs.

Finding 38: There is no viable mechanism that would enable FARMA II to engage with POs and public stakeholders to address their needs and demands. The coordination body that was found to be an effective part of FARMA I, was not introduced by FARMA II as a coordination mechanism to ensure meaningful participation of POs and public sector stakeholders in FARMA II implementation. Both USAID and Sweden as donors insisted and incorporated in all the project documents the necessity of a coordination body to be introduced as early as first quarter of 2016. However, that donors request was not fulfilled by the Activity. The Activity replaced the coordination body with different activities aimed to engage public and private sector stakeholders such as FARMA II Caravan, a series of sub-sector public-private advocacy events and the organization of a larger-scale public-private dialogue event.

4.6. EVALUATION QUESTION 3 - CONCLUSIONS

Conclusion 13: There was satisfaction with the public-sector certification and training received from FARMA II. However, there were mixed feelings about FARMA II's collaboration. While some noted effective collaboration, others had higher expectations of the scope of assistance that would be provided and the extent to which all demands were addressed. The Czech Development Agency has provided assistance in this area and some beneficiaries found the Czech Development Agency to be more responsive than FARMA II.

Conclusion 14: While the services provided by FARMA II generally reflect public-sector stakeholders' needs as identified in the assessment, stakeholders do not always know about these services or feel that they are part of the process for identifying these needs. These dynamics have slowed progress and limited the effectiveness of some of FARMA II's interventions.

Conclusion 15: There is a contentious relationship and a lack of communication between FARMA II and the RS Ministry of Agriculture. Additionally, there is a lack of demand for legislative/policy support from the RS. However, the support to FBiH Ministry of Agriculture is well received, and there is demand and plans for further assistance.

Conclusion 16: Assistance to the public sector has generally been well received when provided. However, no comprehensive plan for legislative and regulatory assistance and training or certification in cooperation with public-sector stakeholders seems to exist, as stipulated in the award.

EVALUATION QUESTION 4: HAS THE FARMA II'S TECHNICAL ASSISTANCE LED TO PROGRESS ON ADOPTING THE RURAL DEVELOPMENT STRATEGY AT THE STATE LEVEL AND ACHIEVING RELEVANT CONTRACTUAL EXPECTED RESULTS, AND IF SO, HOW? HOW HAS FARMA II'S ASSISTANCE IN STRATEGY PREPARATION AND ADOPTION BEEN IMPLEMENTED?

4.7. EVALUATION QUESTION 4 - FINDINGS

Finding 39: FARMA II provided substantial TA in drafting the SPRD and facilitating the process of SPRD design. This included drafting documents, organizing working groups, coordinating public meetings, and mediating between international and domestic and international institutions. Adoption of the SPRD by the BiH Council of Ministers and BiH Parliament was a major structural achievement that met one of required preconditions for BiH to gain access to EU financial assistance for agriculture sector development.

Finding 40: Tensions between the RS Ministry of Agriculture and FARMA II that occurred during the process of the SPRD preparation have resulted in a lack of trust between the two that will be difficult to repair, and will make it difficult to ensure that the Activity moves forward with the support of public-sector stakeholders from both entities. In the development of the SPRD, there were concerns among those institutions responsible for strategy implementation that FARMA II was not sufficiently responsive to their concerns. While some of these institutions felt that FARMA II's initial assessment was effective, throughout the policy development process, they felt that their existing policy¹⁹ documents were not adequately incorporated into the draft Strategy and that their concerns were sidelined. Specifically, in the negotiations around the Strategy, key institutions stepped away from the working groups associated with strategy development because of a concern that their contributions were not being incorporated and an impression that the approach to developing the Strategy was being imposed upon them rather than developed collaboratively.

Finding 41: FARMA II has developed a collaborative relationship with international and state-level institutions as well as institutions in the FBiH. These institutions praised FARMA II's efforts in facilitating SPRD and felt they had shared goals with FARMA II in passing the SPRD. They also felt that the working groups were inclusive and facilitated effective collaboration. It was noted that FARMA II's involvement in the process facilitated ownership among stakeholders.

Finding 42: Lack of effective collaboration with all public-sector stakeholders led to an SPRD that lacks cohesion. While all stakeholders are satisfied that they managed to get the SPRD through the formal adoption process, thus unlocking possibilities for BiH to receive significant EU financial assistance, some of them, including FARMA II, consider the SPRD to be largely political and difficult to implement. This is due in part to the process through which the policy was developed. SPRD adoption was blocked for a long time because of the RS Government's opinion that there was an attempt to transfer authority to the state level through the design and adoption of the SPRD. The political deadlock was resolved through the adoption of the modular principle in the process of designing the SPRD. As a result, the document is largely a compilation of two Entity-level strategies. As noted by FARMA II staff, getting all stakeholders to agree to a common strategy meant that the SPRD ultimately reflected the existing policies and political interests of a variety of groups.

¹⁹ RS Rural development strategy.

4.8. EVALUATION QUESTION 4 - CONCLUSIONS

Conclusion 17: There is a substantial divide between those tasked with passing the SPRD and those responsible for implementing it. FARMA II was able to effectively collaborate with international, state, and donor agencies with a primary interest in seeing the legislation move forward. However, there was a more contentious relationship with those who are implementing specific components of the policy. Without more effective collaboration with agencies implementing the policy, there is a risk that next steps, such as identifying policy priorities and implementation approaches, will be limited. This may also undermine other efforts to make progress on other policies, such as the veterinary law.

5. RECOMMENDATIONS

Recommendation 1: The design of FARMA II limited the potential for assessing the impacts of USAID's long-term and generally well-perceived engagement in the agriculture sector. When designing new agricultural activities, lessons learned from previous programming should be integrated as early as the Request for Proposals (RFP) stage. Moreover, the technical components of these proposals, such as requirements for a technical approach suitable for impact evaluations, should be adequately reviewed and evaluated by the funder prior to award.

Recommendation 2: Given the importance of a combination of TA and grants, FARMA II should prioritize the provision of direct, high-intensity, and high-quality TA to PO grantees. This would help FARMA II make progress toward targets. It would also ensure that beneficiaries are well supported in implementing their grants, possibly improving the sustainability of their results.

Recommendation 3: Since new FARMA II beneficiaries will be smaller POs, FARMA II should tailor its TA accordingly. Additionally, because these smaller POs are likely to have relatively modest business results, achievement of the contractual targets will depend on FARMA II's ability to directly influence and improve their business operations.

Recommendation 4: USAID/BiH should reconsider supporting the financing of the two AgMentor physical centers. Operations of these centers are limited in terms of accessibility and outreach to POs. Once the current one-year contracts with the two AgMentor physical centers expire, it is recommended to determine whether they have provided cost-effective services that adequately addressed the business improvement and growth needs of POs.

Recommendation 5: USAID/BiH should perform a thorough financial analysis to determine whether the AgMentor approach diverted financial resources away from the direct provision of TA by FARMA II personnel to beneficiaries or served as an effective multiplier of TA to the targeted sectors.

Recommendation 6: Further development of the AgMentor online platform should include the rapid deployment of services to POs by advisors (one-on-one PO-advisor matching and assistance), building stakeholder buy-in, developing a business model for funding private advisors, building the capacity of advisors (including their certifications), establishment of a system of quality assurance, and sustainability planning. Continuation of work on the AgMentor online platform should be conditioned on approval of the sustainability plan.

Recommendations 7: As soon as possible, FARMA II should identify and engage local stakeholders interested in assuming responsibility for maintaining the AgMentor web portal, involve them in all stages

of portal development, and familiarize them with both content and software solutions to ensure they can take over and maintain the portal once it is fully implemented.

Recommendation 8: FARMA II needs to make a substantial effort to establish and facilitate more effective cooperation with existing public advisory services to ensure their full participation and cooperation with the AgMentor concept. This should include an attempt to integrate the web portal with existing extension and advisory services.

Recommendation 9: FARMA II must develop mechanisms to engage with POs and public stakeholders to address their needs and demands. This could include further exploration of reinstating the coordination body that was found to be an effective part of FARMA I. This could provide an effective way for stakeholders to collaborate and feel greater ownership in the service delivery process. At the institutional level, FARMA II needs to make a substantial effort to establish and facilitate more effective collaboration with public sector stakeholders and ensure their meaningful participation in implementing the Activity. Successful cooperation with the MOFTER and the FBiH Ministry of Agriculture should also be extended to the other key stakeholders with responsibility for implement agricultural policy in BiH, such as the RS Ministry of Agriculture and cantonal ministries.

Recommendation 10: Given the potential challenges in implementing the SPRD and the limited time and resources of the Activity, USAID/BiH and FARMA II should reconsider whether FARMA II should continue to provide the SPRD related support to the BiH institutions.

ANNEXES

ANNEX I: EVALUATION STATEMENT OF WORK

USAID/BiH Economic Development Office

STATEMENT OF WORK

PERFORMANCE EVALUATION OF THE USAID/BiH FOSTERING AGRICULTURAL MARKETS ACTIVITY II (FARMA II)

I. PURPOSE OF THE EVALUATION

The purpose of the performance evaluation of the USAID/BiH Fostering Agricultural Markets Activity II (FARMA II) is to assess the progress on Activity’s contractual obligations to date and to provide recommendations for Activity adjustments if needed.

Primary audience is USAID/BiH and Sweden/BiH. The Mission will use evaluation findings, conclusions, and recommendations to reassess the achievements of FARMA II and readjust the Activity if needed.

II. ACTIVITY INFORMATION

Activity Name	Fostering Agricultural Markets Activity II (FARMA II)
Contractor	Cardno Emerging Markets USA, Ltd.
Contract #	AID-168-C-00001
Total Estimated Cost (TEC)	\$ 16,297,415 (of which 3,500,000 is Small Grants Fund)
Life of Activity	January 1st, 2016 – December 31st, 2020
Active Geographic Regions	Throughout BiH
USAID/BiH Project	2.1. Improved capacity of private sector to compete in market economy

III. ACTIVITY BACKGROUND

FARMA II is a five-year intervention funded by USAID/BiH and Sweden.

The purpose of the Activity is “to create agricultural and agri-business economic opportunities by assisting agricultural producer organizations (POs) in adopting European Union (EU) and international agricultural and food standards and new production techniques, producing new high- value products, and expanding domestic and international market access of producers, and assist BiH government and public agencies to implement regulations related to food and agricultural products that meet EU and international requirements”.

FARMA II is envisaged to build on achievement of two predecessor major interventions in agricultural sector: USAID’s Linking Agricultural Markets to Producers (LAMP) implemented between 2003 and 2008, and USAID/BiH and Sweden FARMA I implemented between 2009 and 2015.

FARMA II intervention’s design as specified in the Award was set within the context of: i) labor input being more than twice its relative sector output in agriculture indicating that the sector remained subsistence oriented and inefficient and has so far avoided structural transformation, ii) food imports being 2.5 times

higher than food exports and rising as BiH consumers increasingly favor imported products, and iii) BiH producers and agro-food processors needing to rapidly prepare for EU accession to enable rural and peri-urban regions to participate in BiH's economic growth. FARMA II has two objectives:

Objective 1: Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets

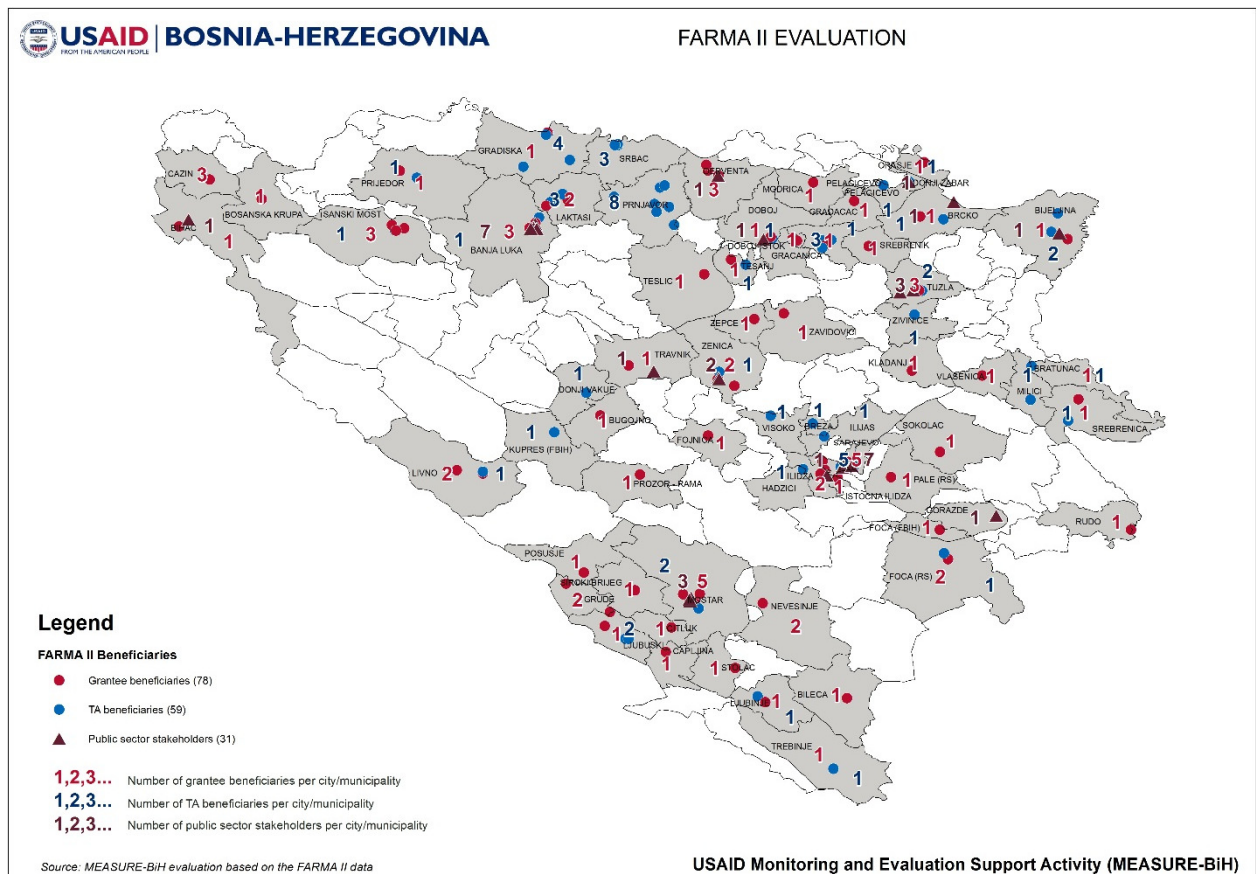
Objective 2: Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.

Within each of these objectives, Award lays out expected results in terms of indicators and targeted indicator values for the life of activity, as well as specific activities, and tasks within each activities, as show in the Exhibit below.

Implementer's implementation approach is described as grounded in four tried and true guiding principles.

- Enable market forces to emerge;
- Build sustainability through local ownership;
- Foster the inclusion of men, women, youth, and marginalized groups; and
- Leverage impact through collaboration with partners.

FARMA II works in the following four agricultural sub-sectors: i) fruits and vegetables, ii) medicinal and aromatic plants (MAP) and honey, iii) dairy, and iv) poultry. Based on the FARMA II database, as of November 2017, has around 135 assisted beneficiaries (of which around 80 received grants), while it has



around 420 other beneficiaries to which substantive assistance has not been provided. Beneficiaries are defined as producer organizations (PO), i.e. entities with legally recognized status within BiH and includes private companies, enterprises, cooperatives, associations, NGOs, and craft organizations. The map below shows the FARMA II assisted beneficiaries across BiH.

FARMA II defines assistance as technical assistance and financial assistance. Criteria for a beneficiary to be considered as assisted beneficiary (assisted PO) has been defined by FARMA II to include minimum hours of assistance and minimum of two separate support activities being provided.

FARMA II stakeholders from public sector include representatives from the 31 institutions: BiH Ministry of Foreign Trade and Economic Relations, BiH Veterinary Office, Animal Identification Agency - Banja Luka, BiH Plant Health Protection Administration, BiH Food Safety Agency, RS Ministry of Agriculture, Forestry and Water Management, FBiH Ministry of Agriculture, Water Management and Forestry, FBiH Inspectorate, Republic Veterinary inspectorate of RS, FBiH Agriculture Institut – Butmir, FBiH Agromediterranean Institute – Mostar, BD Department for Agriculture, Forestry and Water Management, Cantonal Inspectorate – BPK, Ministry of Agriculture, Water Management and Forestry SBK, Ministry of Agriculture, Water Management and Forestry TK, Veterinary Station – Tuzla, Inspectorate of TK, Ministry of Agriculture, Water Management and Forestry ZDK, Ministry of Agriculture, Forestry and Water Management HNK, Banja Luka City Administration, Veterinary Faculty – Sarajevo, Agriculture Faculty - Banja Luka, Agriculture Institute - Banja Luka, Veterinary Institute RS - Vaso Butozan, Veterinary Institute USK – Bihać, City Veterinary Inspectorate – Bijeljina, Municipality Veterinary Inspection – Derventa, Municipality Veterinary Inspection – Doboje, Municipality Veterinary Inspection – Donji Žabar, Cantonal Veterinary Inspectorate KS, and Cantonal Veterinary Inspectorate ZDK.

Objectives, Results, and Steps	Activities	Tasks
<p>Objective 1: Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 2,100 new jobs of assisted POs ✓ Exports of assisted POs in selected agricultural sub-sectors will increase by 90% ✓ Sales of assisted POs in selected agricultural sub-sectors increase by 65% ✓ Assistance provided to POs that represent at least 58% of the sub-sectoral output ✓ 22.44BAM in new private investments in supported sub-sectors <p>STEPS:</p> <p>Step 1: Conduct a Baseline Survey</p> <p>Step 2: Design and implement interventions to address market failure</p> <p>Step 3: Ensure sustainability</p>	<p>Activity 1 – Expand PO Market Access and Multiply Market Linkages</p>	<ul style="list-style-type: none"> 1.1. Conduct Market Assessments & Engage BDSP Sales Agents 1.2. Support POs to attend Trade Fairs 1.3. Sponsor Foreign Buyer Trade Missions to BiH 1.4. Deploy Retailing Facilitation Strategy 1.5. Improve Labeling, Marketing, and Packaging of BiH Export Products
	<p>Activity 2 – Implement EU and International Standards to Improve BiH Product Quality</p>	<ul style="list-style-type: none"> 2.1. Implement Product Quality Standards 2.2. Improve quality at production level 2.3. Encourage Innovation and Development of Value-Added Products
	<p>Activity 3 – Improve Productivity and Increase Total Output</p>	<ul style="list-style-type: none"> 3.1. Improve backward linkages to producers – inclusivity approach 3.2. Facilitate sub-sector access to finance and insurance 3.3. Facilitate development of market-based insurance schemes for agricultural POs 3.4. Improve workforce skills 3.5. Improve linkages between research institutions, private sector to foster innovation 3.6. Agricultural Infrastructure: cold chain storage & packaging
<p>Objective 2: Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 560 private legal entities (60) and individual farmers (500) certified in accordance with EU acquis and market requirements ✓ Ten public institutions are certified in line with the EU acquis and market requirements ✓ 40 pieces of legislation are harmonized to the EU acquis and submitted to Government(s) of BiH <p>STEPS:</p> <p>Step 1. Transpose laws and regulations in accordance with the acquis and finalize strategies. Using Cardno’s Collaborative Process, help government ministries and agencies establish working groups to draft priority laws, develop policies, and support enactment</p> <p>Step 2. Develop capacity to implement regulations and policies through three steps:</p> <p>Step 2.1. Work with agencies and ministries to identify institutional weaknesses that could hinder implementation</p> <p>Step 2.2. Sign an MOU with government counterparts to define the training program and ensure their commitment to the process</p> <p>Step 2.3. Conduct training and develop procedural manuals to ensure that what is learned is incorporated into the institution</p>	<p>Activity 4 – Prepare Conditions for IPARD Implementation</p>	<ul style="list-style-type: none"> 4.1. Garner Public Support and Deploy Public-Private Dialogue (PPD) to Advocate for Adoption of IPARD requirements 4.2. Align Regulations to EU requirements at Sub-national Levels of Government 4.3. Vest systemic capacity in public institutions to prepare for IPARD participation
	<p>Activity 5 – Prepare Conditions and Upgrade Capacity of Food Product Quality Infrastructure</p>	<ul style="list-style-type: none"> 5.1. Update Legislative Gap Assessment and support government to draft legislation 5.2. Address obstacles preventing export of fresh milk, dairy & poultry to the EU 5.3. Build capacities of public Institutions in the food product quality system 5.4. Support accreditation of food laboratories 5.5. Improve capacities of inspection authorities

IV. EVALUATION QUESTIONS

1. What progress has been achieved in reaching contract targets (jobs, investment, exports, sales, reaching to private sector beneficiaries-scale of assistance) and what are the prospects of meeting life of activity contract targets (based on stakeholders’ perceptions, implementers’ plans, and the calculations of progress needed in the remaining Activity period)?

2. Has the technical approach outlined in FARMA II’s workplan for 2017 (including AgMentor approach) produced results in terms of increase of sales, exports, new jobs and scale of assistance, and their magnitude in relation to contract targets (based on stakeholders’ perceptions and the calculations of estimated progress towards achieving expected results and targets in 2017)? How has this technical approach been implemented and how is it perceived by beneficiaries in terms of relevance and effectiveness? The evaluation needs to assess relevance and effectiveness (as perceived by beneficiaries)

of two different forms of assistance: assistance through the grants component and all other forms of assistance (ag-mentor, TA and other).

3. How do public sector partners (MOFTER, entity ministries, SVO, FSA, PHA, entity inspectorates) perceive relevance and effectiveness of FARMA II assistance? How has FARMA II's assistance to public sector partners been implemented?

4. Has the FARMA II's technical assistance lead to progress on adopting the Rural Development Strategy at the state level and achieving relevant contract results and how? How has FARMA II's assistance in Strategy preparation/adoption been implemented?

V. EVALUATION DESIGN AND METHODOLOGY

The research design will employ different methods to be triangulated: desk research, secondary financial data analysis, semi-structured key informant interviews, focus groups, and online surveys.

QUESTIONS	DATA SOURCES AND DATA COLLECTION METHODS	RESEARCH DESIGN
<p>5. What progress has been achieved in reaching contract targets (jobs, investment, exports, sales, reaching to private sector beneficiaries-scale of assistance) and what are the prospects of meeting life of activity contract targets (based on stakeholders' perceptions, implementers' plans, and the calculations of progress needed in the remaining Activity period)?</p>	<p>Implementation documentation/databases review</p> <p>FIA/APIF data on financial statements</p> <p>Online survey of FARMA II assisted beneficiaries</p> <p>Online survey of FARMA II other beneficiaries</p> <p>Semi-structured key informant interviews (KII) with: USAID/BiH, Sweden, FARMA II implementers, FARMA II assisted beneficiaries, FARMA II other beneficiaries, FARMA II public sector stakeholders, and non-beneficiary enterprises in FARMA II sub-sectors</p> <p>Focus groups with FARMA II assisted beneficiaries</p>	<p>Mixed methods</p>
<p>6. Has the technical approach outlined in FARMA II's workplan for 2017 (including AgMentor approach) produced results in terms of increase of sales, exports, new jobs and scale of assistance, and their magnitude in relation to contract targets (based on stakeholders' perceptions and the calculations of estimated progress towards achieving expected results and targets in 2017)? How has this technical approach been implemented and how is it perceived by beneficiaries in terms of relevance and effectiveness of two different forms of assistance: assistance through the grants component and all other forms of assistance (technical assistance, AgMentor, and other).</p>	<p>Implementation documentation/databases review</p> <p>Semi-structured key informant interviews (KII) with: USAID/BiH, Sweden, FARMA II implementers, FARMA II assisted beneficiaries, FARMA II other beneficiaries, FARMA II public sector stakeholders, and non-beneficiary enterprises in FARMA II sub-sectors</p> <p>Focus groups with FARMA II assisted beneficiaries (two focus groups to clearly distinguish between grantees and non-grantees)</p> <p>Online survey of FARMA II assisted beneficiaries</p> <p>Online survey of FARMA II other beneficiaries</p> <p>Online survey of non-beneficiary enterprises in FARMA II sub-sectors</p> <p>FIA/APIF data on financial statements</p>	<p>Mixed methods</p>

<p>7. How do public sector partners (MOFTER, entity ministries, SVO, FSA, PHA, entity inspectorates) perceive relevance and effectiveness of FARMA II assistance? How has FARMA II's assistance to public sector partners been implemented?</p>	<p>Implementation documentation/databases review</p> <p>Semi-structured key informant interviews (KII) with: USAID/BiH, Sweden, FARMA II implementers, and FARMA II public sector stakeholders</p>	<p>Mixed methods</p>
<p>8. Has the FARMA II's technical assistance lead to progress on adopting the Rural Development Strategy at the state level and achieving relevant contractual expected results and how? How has FARMA II's assistance in Strategy</p>	<p>Implementation documentation/databases review</p> <p>Semi-structured key informant interviews (KII) with: USAID/BiH, Sweden, FARMA II implementers, and FARMA II public sector stakeholders</p>	<p>Mixed methods</p>

During the data collection, the evaluation team will reach out to about 50% of all the assisted beneficiaries (distinguish between grantees and non-grantees, in a representative manner) to conduct either KII (face to face or video/audio) or focus groups. Online surveys will be sent to all to gather data on financial estimates for 2017 (as the official 2017 FIA/APIF data will not be available at time of evaluation) and other information. The evaluation team will also conduct KIIs with at least 10 other beneficiaries and conduct an online survey of the population of the other beneficiaries (provided that email information is available). Finally, the evaluation team will conduct interviews with at least 10 non-beneficiaries in FARMA II subsectors sampled from the FIA/APIF database or FARMA I beneficiary database, and, if email information is available, also conduct an online survey. The evaluation team will reach out to about 50% of all FARMA II stakeholders from public sector to conduct KIIs.

VI. DELIVERABLES, SCHEDULE, AND REPORTING REQUIREMENTS

1. Evaluation Design and Work Plan: A draft work plan and evaluation design document for the evaluation shall be submitted to USAID/BiH two weeks after SOW approval. The evaluation design will include: (1) a detailed evaluation design matrix (including the key questions, methods, and data sources used to address each question and the data analysis plan for each question); (2) draft questionnaires and other data collection instruments or their main features; (3) the list of potential interviewees and sites to be visited; (4) known limitations to the evaluation design; and (5) a dissemination plan. The work plan will include: (1) the anticipated schedule and logistical arrangements; and (2) a list of the members of the evaluation team, delineated by roles and responsibilities. USAID offices and relevant stakeholders are asked to take up to one week to review and consolidate comments. Once the evaluation team receives the consolidated comments on the initial evaluation design and work plan, they are expected to return with a revised evaluation design and work plan within 5 days.

2. Data Collection: Key informant interviews will commence on January 8, 2018 and will be conducted over the period of five weeks. Focus groups, online surveys, and other data collection activities will be carried out during the same period.

3. In-Briefing: Prior to conducting key informant interviews, the evaluation team will have an in-briefing with USAID/BiH to discuss the team's understanding of the assignment, initial assumptions, evaluation questions, methodology, and work plan.

4. Final Exit Briefing: After the data collection, the evaluation team will have a final briefing prior to report drafting for final clarifications needed from the Mission and to discuss the status of data collection, if needed.
5. Evaluation Presentation: The evaluation team is expected to have a final presentation to USAID/BiH to discuss the summary of findings and recommendations to USAID/BiH.
6. Draft Evaluation Report: The draft evaluation report will be submitted no later than 9 weeks after the start of key informant interviews. The report shall be consistent with the USAID Evaluation Report Requirements provided in ADS REFERENCE 201MAH (USAID Evaluation Report Requirements <https://www.usaid.gov/ads/policy/200/201mah>) and take into account criteria to ensure the quality of the evaluation report specified in ADS REFERENCE 201MAA (<https://www.usaid.gov/ads/policy/200/201maa>). Once the initial draft evaluation report is submitted, USAID/BiH will have 10 calendar days in which to review and comment on the initial draft, and submit the consolidated comments to the evaluation team. The evaluation team will then be asked to submit a revised final draft report in 10 calendar days hence, and again the USAID/BiH will review and send comments on this final draft report within 5 calendar days of its submission.
7. Final Evaluation Report: The evaluation team will be asked to take no more than 10 calendar days to respond/incorporate the final comments from USAID/BiH. The evaluation team leader will then submit the final report. All data and records will be submitted in full and should be in electronic form in easily readable format, organized and documented for use by those not fully familiar with the activity or evaluation, and owned by USAID.

ANNEX II: DATA COLLECTION INSTRUMENTS

As presented in the Evaluation Design and Methodology section, data for this evaluation will be collected through:

1. FARMA II design and implementation documentation and databases, including award and award modification, work plans, quarterly reports, annual reports, M&E documentation, and deliverables within FARMA's work with the public sector.
2. Secondary documentation relevant to FARMA II, such as documentation from European Commission and World Bank, as well as relevant documentation from relevant BiH government/public institutions.
3. Eighty semi-structured key informant interviews **(depending on scheduling and interviewees' availability, FGD may also be conducted)**
4. Online survey of FARMA PO beneficiaries
5. Mini online survey of a sample of non-beneficiaries in FARMA II subsectors

Interviewees are selected taking into account geographical and sub-sectoral representation.

We here present detailed semi-structured interview guides for the three main stakeholder groups with which most interviews will take place – FARMA II PO beneficiaries, FARMA II public sector beneficiaries/stakeholders, and non-beneficiaries. Interviews with the remaining stakeholder groups will be based on the guides presented here, but adjusted for the specificities of each stakeholder group's relation to FARMA II and nature of their work.

We also present the online survey instrument for FARMA II PO beneficiaries, as well as a mini survey instrument for a sample on non-beneficiaries in FARMA II subsectors. Note that for the online survey, an introductory paragraph with information about FARMA II and the evaluation will be included.

ANNEX II.I: DOCUMENTS/DATABASES REVIEWED

1. Activity Contract (AID-168-C-16-00001)
2. Activity Contract Modification
3. FARMA II Year I Annual Report
4. FARMA II Year I Annual Report Updated Annex I – Business Data
5. FARMA II SOW – AgMENTOR Support Services
6. Request for proposals – AgMENTOR Support Services
7. AgMENTOR activities companies
8. FARMA II Climate Change Integration Plan
9. FARMA II Gender Analysis & Mainstreaming
10. FARMA II Priority List for EU Alignment
11. USAID-Sweden FARMA II Sustainability Plan
12. Revised FARMA II AMEP (Version of 211117)
13. Revised FARMA II AMEP (Version of 281216)
14. Revised FARMA II AMEP (Version of 310517)
15. USAID-Sweden FARMA II – Year I First Quarterly Report
16. USAID-Sweden FARMA II – Year I Second Quarterly Report
17. USAID-Sweden FARMA II – Year I Third Quarterly Report
18. USAID-Sweden FARMA II – Year I Fourth Quarterly Report
19. USAID-Sweden FARMA II – Year 2 First Quarterly Report
20. USAID-Sweden FARMA II – Year 2 Second Quarterly Report
21. USAID-Sweden FARMA II – Year 2 Third Quarterly Report
22. USAID-Sweden FARMA II – Year I Work Plan
23. USAID-Sweden FARMA II – Year 2 Work Plan
24. USAID-Sweden FARMA II – Year 3 Work Plan
25. Assessment of Agri-food sector
26. BiH Beekeeping Sub-sector Strategic Plan
27. BiH Dairy sector Strategic Plan
28. BiH F&V Sub-sector Strategic Plan
29. BiH MAPs Sub-sector Strategic Plan
30. BiH Poultry Sub-sector Strategic Plan
31. List of beneficiaries by assistance – type and intensity
32. Memorandum of Understanding CzDA-USAID-Sweden

33. Letters from RS Ministry of Agriculture, Forestry and Water Management
34. Presentation “Rethinking FARMA II”
35. Lists of advisors for the Rural Development Strategy, public institutions and contacts, consultants, consultants via subcontractors, consultants – RD Strategic Plan, donors and institutions
36. Subcontractor budgets
37. Grants summary
38. Proposal for Establishment of a Sustainable Advisory System in BiH
39. List of ToT from donor organizations
40. Members of sub-groups of the Agriculture Advisory Working Group
41. Background info on the Network of Agricultural Advisors (NAA)
42. Draft NAA Action Plan
43. MoU – Establishing Network of Agricultural Advisers in BiH
44. Press release – Network of Agricultural Advisors established
45. Draft Scope of Work: Network of Agricultural Advisers (NAA) Facilitator
46. Draft Assessment of BiH Agriculture Sector
47. Official approvals for SPRD
48. Strategic Plan for Rural Development of BiH
49. USAID-Sweden FARMA II – Survey results: Baseline data
50. USAID-Sweden FARMA II – Survey results: March 2017
51. Report on Regulatory Impact Assessment for The Veterinary Law
52. Draft Veterinary Law document
53. Final Report of the Implementation of Global G.A.P Standard
54. Final Report of the Implementation of organic standards and certification of producers in BiH
55. FARMA II Grants Manual

ANNEX II.II: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PO BENEFICIARIES

The following sets of questions will be used as guidance for KIs (and FGDs if taking place). This guide is for FARMA II assisted beneficiaries who received grants, assisted beneficiaries that have received substantive TA (including AgMentor Center beneficiaries) and other beneficiaries that have not received substantive FARMA II TA (as per FARMA II criteria). These questions serve to ensure that all relevant areas of inquiry are pursued but do not necessarily represent the exact sequence of interviews and discussions. More detailed probes will be used to ensure the correct and full understanding of information gathered from interviewees for each question and sub-question. Interviewees will be asked to provide examples for all relevant questions. As an introduction (as well as before asking specific questions throughout the interview as needed), interviewers will give background information to interviewees on FARMA II expected results and implementation mechanisms, as laid out in the section on Background Information on FARMA II in this document.

1. How did you start your collaboration with FARMA II?

2. In what FARMA II interventions have you participated?
 - a. Please describe each type of assistance you received from FARMA II.
 - b. Have you received grant funds from FARMA II, and if yes please describe the process to us and the purposes for which grant is used?
 - c. If you have not received grant funds from FARMA II, have you applied for them?
 - d. Have you received any FARMA II technical assistance? Was this through AgMentor? *If they received technical assistance, please describe the process and changes resulting from FARMA II assistance?*

3. How relevant was the assistance received from FARMA II for your organization in terms of meeting your priority needs and addressing your priority obstacles? How effective was the assistance In terms of likelihood to result in improvement of business results (sales/exports, jobs, and investment)? How relevant is the assistance from FARMA II more broadly to your subsector? How effective is it to your subsector?
 - a. What worked well in terms of the assistance you received from FARMA II? What could be improved in terms of the assistance you received from FARMA II?

 - b. Do you find TA or grants to be more relevant to your needs? Why? Do you find TA or grants to be more effective in generating results? Why? What types of TA are most relevant? Most effective? If you've used AgMentor, how would you assess its relevance to your needs? How would you assess its effectiveness in generating results?

4. What trends in business results (sales/exports, jobs, and investment) has your organization experienced in the last two years? How has the assistance your organization received from FARMA II contributed to these results?
5. How would you assess overall business results in your subsector in the last two years? Do you feel that FARMA II contributed to these results?
6. How would you assess the overall prospects of your subsector and overall FARMA II subsectors in terms of growth of sales/exports, jobs, and investment over the next three years?
7. Have you noticed any changes in policies or institutions relevant to the agricultural sector in the last two years? If yes, please describe changes. How have these changes affected your organization? Are these changes related to FARMA II efforts? What are the biggest challenges for your organization and broader subsector in terms of legal, regulatory, and institutional framework or current policies?
8. What are the main priority needs of your organization and more broadly your subsector in the next years? What type of assistance would be most relevant and effective for POs?

ANNEX II.III: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PO NON-BENEFICIARIES

The following sets of questions will be used as guidance for KIIs. This guide is for non-beneficiary companies in FARMA II subsectors. These questions serve to ensure that all relevant areas of inquiry are pursued but do not necessarily represent the exact sequence of interviews and discussions. More detailed probes will be used to ensure the correct and full understanding of information gathered from interviewees for each question and sub-question. Interviewees will be asked to provide examples for all relevant questions. As an introduction (as well as before asking specific questions throughout the interview as needed), interviewers will give background information to interviewees on FARMA II expected results and implementation mechanisms, as laid out in the section on Background Information on FARMA II in this document.

1. How familiar are you with FARMA II? Have you been contacted or have you considered using FARMA II assistance?
2. How would you assess the relevance of technical assistance including fair attendance, study tours, technical training, business training, and round tables for your organization and subsector in terms of meeting priority needs? How likely do you feel these types of assistance would be in improving business results (sales/exports, jobs, and investment)? Within technical assistance, which type of assistance would be the most relevant for you? What would make this technical assistance effective? Are you familiar with FARMA II's AgMentor approach? In terms of delivery mechanism for TA, do you feel this could be relevant to your needs? What would make it most effective for you? Do you think this approach could be sustainable?
3. How would you assess the relevance of small grants for investment in promoting improvements in enterprise sales and exports by encouraging improvements in product value-added activities, quality, standards, consistency and overall quantities? How likely do you feel these types of assistance would be in improving business results (sales/exports, jobs, and investment)? If you were to receive the types of grants offered by FARMA II, how might you use them?
4. Among different types of assistance provided by FARMA II, which type would you assess as the most relevant? Which do you think might be the most effective? How would you assess relevance and effectiveness of grant assistance versus technical assistance?
5. What trends in business results (sales/exports, jobs, and investment) has your organization experienced in the last two years? How would you assess overall business results in your subsector in the last two years?
6. How would you assess the overall prospects of your subsector in terms of growth of sales/exports, jobs, and investment over the next three years?
7. Have you noticed any changes in policies or institutions relevant to the agricultural sector in the last two years? If yes, please describe changes? How have these changes affected your organization? Do you now if these changes related to FARMA II efforts? What are the biggest

challenges for your organization and broader subsector in terms of legal, regulatory, and institutional framework or current policies?

8. What are the main priority needs of your organization and more broadly your subsector in next years? What type of assistance would be most relevant and effective for POs?

ANNEX II.IV: KEY INFORMANT INTERVIEW GUIDE FOR FARMA II PUBLIC SECTOR BENEFICIARIES

The following sets of questions will be used as guidance for KIIs. This guide is for FARMA II beneficiaries/stakeholders from public sector. These questions serve to ensure that all relevant areas of inquiry are pursued but do not necessarily represent the exact sequence of interviews and discussions. More detailed probes will be used to ensure the correct and full understanding of information gathered from interviewees for each question and sub-question. Interviewees will be asked to provide examples for all relevant questions. As an introduction (as well as before asking specific questions throughout the interview as needed), interviewers will give background information to interviewees on FARMA II expected results and implementation mechanisms, as laid out in the section on Background Information on FARMA II in this document.

1. How did you start your collaboration with FARMA II?
2. In what FARMA II interventions have you participated?
 - a. Please describe each type of assistance you received from FARMA II?
 - b. Please describe the process for each and changes resulting from FARMA II assistance.
 - c. Have you received assistance in drafting legal/regulatory documents, and if so, which ones?
 - d. Have you received assistance in public sector market certification services, and if so, which ones?
3. How relevant was the assistance received from FARMA II for your organization in terms of meeting your priority needs and addressing your priority obstacles? How effective was assistance in terms of likelihood to result in adoption and implementation of key regulations, norms, practices, and rules and in meeting EU and international best practice requirements?
 - a. What worked well in terms of assistance you received from FARMA II, if any? What were the challenges in terms of assistance you received from FARMA II, if any?
4. How familiar are you with the assistance FARMA II provided in drafting of the BiH Strategic Plan for Rural Development (SPRD), including the detailed Sectoral Analysis, aimed at attracting needed technical support and investment from the EU? Was this assistance relevant for your organization? If so, why? Was it effective? If so, how?
5. How relevant is the assistance from FARMA II more broadly to public sector stakeholders? Why? How effective is it broadly for public sector stakeholders? Why?

- a. Among different types of assistance provided by FARMA II to public sector stakeholders, which type is the most relevant in addressing needs? Which type is the most effective in supporting policy adoption and implementation?

6. How would you assess the relevance of assistance provided by FARMA II for producer organization in FARMA II subsectors in terms of meeting their priority needs? How would you assess the effectiveness of the assistance for producer organizations in terms of the likelihood to result in improvement of their business results (sales/exports, jobs, and investment)?
 - a. For POs, how would you assess relevance and effectiveness of grant assistance versus technical assistance? Within technical assistance, which type of assistance is most relevant and effective? In terms of delivery mechanism for TA, how would you assess relevance and effectiveness of FARMA II's AgMentor approach, as well as its potential sustainability?

7. How would you assess overall business results in FARMA II subsectors in the last two years and the overall prospects in terms of growth of sales/exports, jobs, and investment over the next three years?

8. What are the main priority needs of your organization and more broadly public sector in next years? What type of assistance would be most relevant in meeting your needs? What would be the most effective in supporting policy adoption and implementation?

ANNEX II.V: ONLINE SURVEY QUESTIONNAIRE FOR FARMA II PO BENEFICIARIES

This survey is being conducted as part of the independent external evaluation of FARMA II intervention financed by USAID/BiH and Sweden. You/your organization is receiving this survey because you are included in the list of FARMA II beneficiaries or participants in some of the FARMA II activities.

FARMA II is a five-year intervention implemented since January 2016, with two objectives:

1. *Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets.*
2. *Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.*

FARMA II works in the following four agricultural sub-sectors: i) fruits and vegetables, ii) medicinal and aromatic plants (MAP) and honey, iii) dairy, and iv) poultry.

USAID/BiH and Sweden have commissioned this evaluation to assess the progress on the Activity's contractual obligations to date and to provide recommendations for Activity adjustments if needed. Thus, feedback from the FARMA II beneficiaries/stakeholders is crucial for our evaluation, so we hope that you will be able to set aside 15-20 minutes to answer this survey.

Our aim is to learn from your experiences, not to audit or judge your work or your organizations in any way. The information you provide to us will be used in combination with what we learn from others to produce an overview of lessons learned from FARMA II and overall priority needs of agriculture subsectors.

Your comments are confidential, and your organization will not be identified by name in any report.

1. Name of your organization: _____

2. In which FARMA II subsector does your organization work:
 - a. Fruits and Vegetables
 - b. Dairy
 - c. MAP and Honey
 - d. Poultry
 - e. Cross-cutting. Please explain: _____

3. Were you a beneficiary/participant of USAID/Sweden FARMA I intervention, which was implemented before FARMA II, between 2009 and 2015?
 - a. Yes
 - b. No

4. When did you start participating in FARMA II activities (month and year): _____

5. Is your organization a recipient of FARMA II grants:
 - a. Yes
 - b. No, we applied but did not receive grants
 - c. No, we never applied, although we were aware of FARMA II grant opportunities
 - d. No, we never applied and were not aware of FARMA II grant opportunities

6. If you received a FARMA II **grant**, please describe the grant purpose (e.g. equipment):

7. For each type of assistance you received from FARMA II, how **relevant** was it to your organization's needs (in terms of addressing priority needs of your organization):

	No relevance	Minor relevance	Moderate relevance	Major relevance	Have not received this type of assistance
a. Small grants	1	2	3	4	0
b. Technical Training (agronomic /processing production oriented training; certification (GlobalGAP/Organic/etc.); technical study tours)	1	2	3	4	0
c. Business training (business clinics; group formation; internships (workforce development); business contacts study tours)	1	2	3	4	0
d. Market linkages (B2B; trade fairs; research & analysis; promotion & marketing)	1	2	3	4	0
e. Other private sector support (roundtables; conferences; seminars; technical working groups)	1	2	3	4	0
f. Other: Please explain: _____	1	2	3	4	0

8. For each type of assistance you received from FARMA II, how **effective** was it to your organization in improving your organization’s business results (sales/exports, jobs, and investment)

	Not effective at all	Somewhat effective	Moderate effective	Very effective	Have not received this type of assistance
a. Small grants	1	2	3	4	0
b. Technical Training (agronomic /processing production oriented training; certification (GlobalGAP/Organic/etc.); technical study tours)	1	2	3	4	0
c. Business training (business clinics; group formation; internships (workforce development); business contacts study tours)	1	2	3	4	0
d. Market linkages (B2B; trade fairs; research & analysis; promotion & marketing)	1	2	3	4	0
e. Other private sector support (roundtables; conferences; seminars; technical working groups)	1	2	3	4	0
f. Other: Please explain: _____	1	2	3	4	0

9. Please provide some narrative explanations on the specific technical assistance your organization received from FARMA II which you selected above (*write N/A if your organization has not received any technical assistance from FARMA II*). Which assistance is most relevant and effective and why?

10. What are the main priority needs of your organization and/or more broadly your subsector in next three years? What type of assistance would be most relevant and effective for producer organizations?

11. How useful are currently available **public** advisory services to your organization?

- a. Not useful at all
- b. Mainly not useful
- c. Somewhat unuseful
- d. Neither useful nor unuseful
- e. Somewhat useful
- f. Mainly useful
- g. Extremely useful

12. How useful are currently available **private** advisory services to your organization?

- a. Not useful at all
- b. Mainly not useful
- c. Somewhat unuseful
- d. Neither useful nor unuseful
- e. Somewhat useful
- f. Mainly useful
- g. Extremely useful

13. How important would access to high-quality modern advisory services (**from public and/or private advisors**) be for your organization?

- a. Not important at all
- b. Mainly unimportant
- c. Somewhat unimportant
- d. Neither important nor unimportant
- e. Somewhat important
- f. Mainly important
- g. Extremely important

14. What type of services/advice do you need the most from advisory services (e.g. subject-matter farming assistance, assistance in market research, assistance in accessing specific foreign markets, business advice, etc.)? And would your organization be willing and able to pay for such services if information to identify the adequate advisors-experts for your needs would be available? _____

15. Have you noticed any changes in public policies or institutions relevant to the agricultural sector in the last two years? If yes, please describe changes? How have these changes affected your organization? Are these changes related to FARMA II efforts?

16. What are the current biggest challenges for your organization and broader subsector in terms of legal, regulatory, and institutional framework or current policies?

17. Please fill out the table below with information on business results of your organizations and your current estimates for next period:

		ACTUALS, in thousand KM			PROJECTED ANNUAL % CHANGE		
		2015	2016	2017	2018	2019	2020
Sales							
	of which: Exports						
Investment (fixed assets)							
Number of employees							

18. How would you assess the overall prospects of your subsector in terms of growth of sales/exports, jobs, and investment over the next three years?

- a. I expect significant worsening
- b. I expect some worsening
- c. I expect stagnation
- d. I expect some improvements
- e. I expect significant improvements

Please explain why you selected the response you selected: _____

19. If you have any other comments, please let us know:

WE SINCERELY THANK YOU FOR YOUR TIME IN FILLING OUT THIS SURVEY!

ANNEX II.VI: ONLINE SURVEY QUESTIONNAIRE FOR NON-BENEFICIARIES IN FARMA II SUBSECTORS

This survey is being conducted as part of the independent external evaluation of FARMA II intervention financed by USAID/BiH and Sweden. Your organization is receiving this survey because it is/may be working in the agricultural subsectors which are assisted by FARMA II, although it is not a beneficiary/participant of FARMA II activities. These subsectors are: i) fruits and vegetables, ii) medicinal and aromatic plants (MAP) and honey, iii) dairy, and iv) poultry.

FARMA II is a five-year intervention implemented since January 2016, with two objectives:

3. *Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets.*
4. *Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.*

FARMA II works in the following four agricultural sub-sectors: i) fruits and vegetables, ii) medicinal and aromatic plants (MAP) and honey, iii) dairy, and iv) poultry.

USAID/BiH and Sweden have commissioned this evaluation to assess the progress on the Activity's contractual obligations to date and to provide recommendations for Activity adjustments if needed. Thus, the evaluation team is gathering feedback on assistance needs from the FARMA II beneficiaries/stakeholders, but also from organizations such as your own, which may be potential beneficiary of FARMA II or similar potential future interventions. We thus hope that you will be able to set aside 15-20 minutes to answer this survey.

Our aim is to learn from your experiences, not to audit or judge your work or your organizations in any way. The information you provide to us will be used in combination with what we learn from others to produce an overview of lessons learned and overall priority needs of agriculture subsectors.

Your comments are confidential, and your organization will not be identified by name in any report.

20. Name of your organization: _____

21. In which FARMA II subsector does your organization work:

- a. Fruits and Vegetables
- b. Dairy
- c. MAP and Honey
- d. Poultry
- e. Cross-cutting. Please explain: _____

22. Were you a beneficiary/participant of USAID/Sida FARMA I intervention, which was implemented before FARMA II, between 2009 and 2015?

- c. Yes
- d. No

23. Have you or your organization been contacted or have you considered using FARMA II assistance?

- a. Yes
- b. No
- c. I am not familiar with FARMA II

24. For each type of assistance listed below (assistance types provided by FARMA II), how **relevant** would such assistance be for your organization’s needs (in terms of addressing priority needs of your organization):

	No relevance	Minor relevance	Moderate relevance	Major relevance	Have not received this type of assistance
a. Small grants	1	2	3	4	0
b. Technical Training (agronomic /processing production oriented training; certification (GlobalGAP/Organic/etc.); technical study tours)	1	2	3	4	0
c. Business training (business clinics; group formation; internships (workforce development); business contacts study tours)	1	2	3	4	0
d. Market linkages (B2B; trade fairs; research & analysis; promotion & marketing)	1	2	3	4	0
e. Other private sector support (roundtables; conferences; seminars; technical working groups)	1	2	3	4	0

25. For each type of assistance listed below (assistance types provided by FARMA II), how **effective** would such assistance be for your organization in improving your organization’s business results (sales/exports, jobs, and investment)

	No relevance	Minor relevance	Moderate relevance	Major relevance	Have not received this type of assistance
a. Small grants	1	2	3	4	0
b. Technical Training (agronomic /processing production oriented training; certification (GlobalGAP/Organic/etc.); technical study tours)	1	2	3	4	0
c. Business training (business clinics; group formation; internships (workforce development); business contacts study tours)	1	2	3	4	0
d. Market linkages (B2B; trade fairs; research & analysis; promotion & marketing)	1	2	3	4	0
e. Other private sector support (roundtables; conferences; seminars; technical working groups)	1	2	3	4	0

26. What are the main priority needs of your organization and/or more broadly your subsector in next three years? What type of assistance would be most relevant and effective for producer organizations?

27. How useful are currently available **public** advisory services to your organization?

- h. Not useful at all
- i. Mainly not useful
- j. Somewhat unuseful
- k. Neither useful nor unuseful
- l. Somewhat useful
- m. Mainly useful
- n. Extremely useful

28. How useful are currently available **private** advisory services to your organization?

- h. Not useful at all
- i. Mainly not useful
- j. Somewhat unuseful
- k. Neither useful nor unuseful
- l. Somewhat useful
- m. Mainly useful
- n. Extremely useful

29. How important is access to high-quality modern advisory services (**from public and/or private advisors**) for your organization?

- h. Not important at all
- i. Mainly unimportant
- j. Somewhat unimportant
- k. Neither important nor unimportant
- l. Somewhat important
- m. Mainly important
- n. Extremely important

30. What type of services/advice do you need the most from advisory services (e.g. subject-matter farming assistance, assistance in market research, assistance in accessing specific foreign markets, business advice, etc.)? And would your organization be willing and able to pay for such services if advisory services would assist you in identifying the adequate expert for your needs?

31. Have you noticed any changes in public policies or institutions relevant to the agricultural sector in the last two years? If yes, please describe changes? How have these changes affected your organization? _____

32. What are the current biggest challenges for your organization and broader subsector in terms of legal, regulatory, and institutional framework or current policies?

33. Please fill out the table below with information on business results of your organizations and your current estimates for next period:

		ACTUALS, in thousand KM			PROJECTED ANNUAL % CHANGE		
		2015	2016	2017	2018	2019	2020
Sales							
	of which: Exports						
Investment (fixed assets)							
Number of employees							

34. How would you assess the overall prospects of your subsector in terms of growth of sales/exports, jobs, and investment over the next three years?

- a. I expect significant worsening
- b. I expect some worsening
- c. I expect stagnation
- d. I expect some improvements
- e. I expect significant improvements

Please explain why you selected the response you selected: _____

35. If you have any other comments, please let us know:

WE SINCERELY THANK YOU FOR YOUR TIME IN FILLING OUT THIS SURVEY!

ANNEX III: KEY INFORMANT INTERVIEWS

	FARMA II Sector	Date	Location
1	Donor	11-Jan-18	Sarajevo
2	Implementor	12-Jan-18	Sarajevo
3	Donor	16-Jan-18	Sarajevo
4	Donor	16-Jan-18	Sarajevo
5	Public Sector Stakeholder	16-Jan-18	Sarajevo
6	Public Sector Stakeholder	17-Jan-18	Sarajevo
7	Public Sector Stakeholder	18-Jan-18	Sarajevo
8	Public Sector Stakeholder	18-Jan-18	Sarajevo
9	MAP and Honey	18-Jan-18	Sokolac
10	MAP and Honey	18-Jan-18	Sarajevo
11	Public Sector Stakeholder	19-Jan-18	Sarajevo
12	Public Sector Stakeholder	19-Jan-18	Sarajevo
13	Fruits and Vegetables	19-Jan-18	Sarajevo
14	Dairy	19-Jan-18	Tešanj
15	Public Sector Stakeholder	22-Jan-18	Sarajevo
16	Implementor	22-Jan-18	Sarajevo
17	Public Sector Stakeholder	22-Jan-18	Sarajevo
18	AgMentor Implementor Cross Cutting	22-Jan-18	Zenica
19	Poultry	23-Jan-18	Srbac
20	Cross Cutting	23-Jan-18	Laktaši
21	Cross Cutting	23-Jan-18	Laktaši
22	Fruits and Vegetables	23-Jan-18	Banja Luka
23	Poultry	23-Jan-18	Laktaši
24	Public Sector Stakeholder	24-Jan-18	Banja Luka
25	Public Sector Stakeholder	24-Jan-18	Banja Luka

	FARMA II Sector	Date	Location
26	Public Sector Stakeholder	24-Jan-18	Banja Luka
27	Fruits and Vegetables	24-Jan-18	Banja Luka
28	Dairy	24-Jan-18	Banja Luka
29	Public Sector Stakeholder	24-Jan-18	Tuzla
30	Public Sector Stakeholder	24-Jan-18	Tuzla
31	Public Sector Stakeholder	24-Jan-18	Tuzla
32	Cross Cutting	24-Jan-18	Srebrenik
33	Public Sector Stakeholder	25-Jan-18	Banja Luka
34	Fruits and Vegetables	25-Jan-18	Banja Luka
35	Fruits and Vegetables	25-Jan-18	Banja Luka
36	AgMentor Implementer Cross Cutting	25-Jan-18	Banja Luka
37	Dairy	25-Jan-18	Prnjavor
38	Dairy	25-Jan-18	Prnjavor
39	Public Sector Stakeholder	25-Jan-18	Tuzla
40	Dairy	25-Jan-18	Srebrenik
41	Poultry	25-Jan-18	Gračanica
42	Cross Cutting	25-Jan-18	Gračanica
43	Poultry	25-Jan-18	Gradačac
44	Cross Cutting	26-Jan-18	Žepče
45	MAP and Honey	26-Jan-18	Žepče
46	Fruits and Vegetables	26-Jan-18	Brčko
47	Fruits and Vegetables	26-Jan-18	Živinice
48	Poultry	26-Jan-18	Tuzla
49	Poultry	26-Jan-18	Olovo
50	Dairy	27-Jan-18	Livno

	FARMA II Sector	Date	Location
51	Dairy	27-Jan-18	Kupres
52	MAP and Honey	27-Jan-18	Livno
53	Dairy	27-Jan-18	Prozor Rama
54	Fruits and Vegetables	27-Jan-18	Srebrenica
55	Fruits and Vegetables	27-Jan-18	Bratunac
56	AgMentor Implementor	27-Jan-18	Istocno Sarajevo
57	Dairy	29-Jan-18	Mostar
58	Poultry	29-Jan-18	Ljubinje
59	MAP and Honey	29-Jan-18	Trebinje
60	Dairy	29-Jan-18	Bileća
61	MAP and Honey	29-Jan-18	Mostar
62	Public Sector Stakeholder	29-Jan-18	Banja Luka
63	Donor	29-Jan-18	Sarajevo
64	Other international organization	29-Jan-18	Sarajevo
65	Other international organization	29-Jan-18	Sarajevo
66	Public Sector Stakeholder	30-Jan-18	Mostar
67	Public Sector Stakeholder	30-Jan-18	Mostar
68	Public Sector Stakeholder	30-Jan-18	Mostar
69	AgMentor Implementor	30-Jan-18	Mostar
70	MAP and Honey	30-Jan-18	Kladanj
71	Fruits and Vegetables	30-Jan-18	Cazin
72	MAP and Honey	31-Jan-18	Mostar
73	MAP and Honey	31-Jan-18	Mostar
74	Fruits and Vegetables	31-Jan-18	Mostar
75	Fruits and Vegetables	31-Jan-18	Sarajevo

ANNEX IV: AGMENTOR OVERVIEW

In early 2017, FARMA II issued a request for proposals (RfP) for Agri-Business/AgMentor Support Services with the objective of supporting and contributing to the achievement of FARMA II's objectives. AgMentor's aim is to link existing agri-business services, develop new services, and provide rural support structures targeted at producer organizations and other intermediaries in the agri-food and rural sector. AgMentor approach includes virtual services (Agri-business and rural information, knowledge and learning support services – AgMentor web platform knowledge bank) and physical services (Agri-business and rural networking and advisory support services – AgMentor Centers) aiming to increase the quality, range and access to agri-business support services in BiH. The RfP (with a period of performance from April/May 2017 to June/July 2018) specifies that the aim is to pilot the establishment of a virtual and physical network, which will link and support agri-business support services and that for this pilot future donor support could be extended, subject to verification of the results and impact of pilot actions.

The RfP envisages the AgMentor web platform knowledge bank to provide: i) agri-food information services, ii) agri-food vocational training and education service, iii) agri-business adviser information services, iv) platform impact monitoring system, and v) call center support. The RfP envisages the AgMentor Centers to provide: i) regional business clinics, regional business group formation services, regional business networking events and B2B events, regional internship program, regional trainer-of-advisor program, and regional business innovation and diversification support services.

The RfP notes that although various general and sector specific business support service providers already exist in BiH, they have not focused on the agri-food or rural sector of BiH and provide a restricted range of services (given different needs of various stakeholder groups: farmers; agri-food processors and other agri-business managers; young farmers and rural entrepreneurs; experts, advisers, and consultants; and training organizations and trainers), primarily due to funding and capacity constraints. The AgMentor approach is also envisaged to contribute to the longer-term goal of building a core cadre of professional agriculture and agri-business advisers, operating within a vibrant, transparent and efficiently functioning BiH agri-business consultancy market.

ANNEX V: FARMA II TASKS PER AWARD

Objectives, Results, and Steps	Activities	Tasks		
<p>Objective 1: Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 2,100 new jobs of assisted POs ✓ Exports of assisted POs in selected agricultural sub-sectors will increase by 90% ✓ Sales of assisted POs in selected agricultural sub-sectors increase by 65% ✓ Assistance provided to POs that represent at least 58% of the sub-sectoral output ✓ 22.44 mil BAM in new private investments in supported sub-sectors <p>STEPS:</p> <p>Step 1: Conduct a Baseline Survey</p> <p>Step 2: Design and implement interventions to address market failure</p> <p>Step 3: Ensure sustainability</p>	<p>Activity 1 – Expand PO Market Access and Multiply Market Linkages</p>	1.1. Conduct Market Assessments & Engage BDSP Sales Agents	<p>The Contractor must apply its sales agent model to identify potential new export markets for sub-sector products by engaging sales agents in new markets</p> <p>Where promising, the Contractor must link market research BDSPs and processors to explore demand for healthier jams, drinks, and organic products in an effort to expand their product range</p> <p>The Contractor must not create a new sales agent network, but expand the networks of those already in the business by strategically linking them with more POs.</p>	
		1.2. Support POs to attend Trade Fairs	<p>The Contractor must design joint stands of around 200 sqm that cater to many POs at one time.</p> <p>The Contractor must apply its Trade Fair Program and work with FTC, SIPPO, and others to support POs attend trade fairs in EU and regional countries.</p>	
		1.3. Sponsor Foreign Buyer Trade Missions to BiH	<p>The Contractor must create events and venues that bring foreign buyers to BiH to visit POs and their processing centers</p> <p>The Contractor must organize in-country buyer missions and will focus on visits to women-led MAP producers.</p> <p>The Contractor must work with sector associations and chambers of commerce to organize business to business (B2B) meetings by doing a buyer analysis and matching buyers to POs.</p>	
		1.4. Deploy Retailing Facilitation Strategy	<p>The Contractor must incentivize retailers by co-financing promotional campaigns for uptake of new products to display on supermarket shelves.</p>	
		1.5. Improve Labeling, Marketing, and Packaging of BiH Export Products	<p>The Contractor must incentivize BDSPs to branch out into packaging and marketing and offer these services to sub-sector POs.</p> <p>The Contractor must support BDSPs in locations where there is a concentration of POs so that services are close to processing, thus reducing transport costs.</p>	
	<p>Activity 2 – Implement EU and International Standards to Improve BiH Product Quality</p>	2.1. Implement Product Quality Standards	<p>The Contractor must implement a comprehensive program to build domestic capacity for introducing POs to product quality standards.</p> <p>The Contractor must apply its tested approach, which resulted in 274 companies under FIRMA receiving a standard: Step 1 – Raising awareness about standards, Step 2 – Training independent standards consultants, Step 3 – Training POs and their quality standards staff, and Step 4 – Expanding the regional quality product certification funds</p>	
		2.2. Improve quality at production level	<p>The Contractor must work with private and public extension services to conduct training on better hygiene practices at the poultry and dairy farm level.</p>	
			<p>In the F&V sub-sectors the Contractor must focus efforts on improved seed selection, fertilizer application, and post-harvest techniques.</p>	
			<p>The Contractor must work with the EU Twinning project and the State Phytosanitary and Entity Plant Health Agencies to train farmers on integrated pest management (through extension services).</p> <p>Through private and public extension services the Contractor must provide training to honey producers on proper antibiotic usage.</p>	
		2.3. Encourage Innovation and Development of Value-Added Products	<p>Through the FARMA II Small Grant Fund, the Contractor must develop different programs to incentivize POs to innovate. For example, the MAP sector is dominated by POs that are exporting raw materials.</p>	
			<p>The Contractor must provide grants to POs that can start developing value-added products (soaps, essential oils) on behalf of a larger number of POs and collectors in the MAP sector.</p>	
			<p>Across all sub-sectors the Contractor must also:</p> <p>2.2.1. Actively seek funds from other donors to co-fund innovative practices</p> <p>2.2.2. Earmark a proportion of the innovation funds for female-led POs</p> <p>2.2.3. Widely promote and showcase successful innovators to motivate others to innovate</p> <p>2.2.4. Connect POs to research institutions and support their joint application to EU innovation funds</p>	

Objectives, Results, and Steps	Activities	Tasks	
<p>Objective I CONTINUED: Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 2,100 new jobs of assisted POs ✓ Exports of assisted POs in selected agricultural sub-sectors will increase by 90% ✓ Sales of assisted POs in selected agricultural sub-sectors increase by 65% ✓ Assistance provided to POs that represent at least 58% of the sub-sectoral output ✓ 22.44 mil BAM in new private investments in supported sub-sectors <p>STEPS:</p> <p>Step 1: Conduct a Baseline Survey Step 2: Design and implement interventions to address market failure Step 3: Ensure sustainability</p>		3.1. Improve backward linkages to producers – inclusivity approach	<p>The Contractor must replicate this model by supporting POs to connect to farmers, work with extension services that provide technical assistance to teach farmers growing techniques, and build the technical capacities of POs.</p> <p>The Contractor must use grant funds to incentivize technology adoption, but will only work with POs that have fair business practices with farmers—pay on time and honor agreements.</p> <p>The Contractor must increase inclusiveness by promulgating incentives for the aggregation of household poultry producers into POs and by encouraging value chain densification to create better connections between commercial firms and household producers.</p> <p>In the MAP sub-sector, the Contractor must increase production and cultivation through grant incentives, with a focus on endangered plants, coupled with technical assistance on cultivation methods.</p> <p>The Contractor must have separate programs that are targeted for women-led POs to ensure they are not crowded out by male-led POs. CARD will take a lead role in contributing to this activity.</p> <p>The Contractor must strengthen the capabilities of private and public sector extension services to continue offering similar services once FARMA II ends.</p> <p>The Contractor must do this by building their technical capability and make them more 'useful' to farmers. To systemically address this, the Contractor must work with the government ministries to adjust the training programs for extension services and deliver the training with the ministries.</p>
	Activity 3 – Improve Productivity and Increase Total Output	3.2. Facilitate sub-sector access to finance and insurance	<p>Incorporate rural access to finance review into baseline assessment - Baseline assessment will incorporate a review of financial sector needs, including insurance, across target sub-sectors from both the supply and demand sides.</p> <p>Prepare sub-sector financing and risk assessment packages - After completing the baseline, the Contractor must prepare concise sub-sector risk assessments.</p> <p>Establish a network of advisers to support POs' access to finance - The Contractor will issue a call for applicants. Selected consultants will be trained to facilitate linkages between FIs and businesses in each sub-sector, including, amongst other services, how to help businesses apply for loans, forecast revenues, and calculate depreciation rates. Those who successfully complete the training will be certified by FARMA II. The Contractor must organize information sessions to connect financial consultants with POs and FIs.</p> <p>Encourage joint ventures with international investors and diaspora to leverage private sector investment - The Contractor must facilitate joint ventures between BiH agribusinesses and foreign investors and diaspora in target sub-sectors and for specific products (e.g. raspberries).</p> <p>USAID/BiH Development Credit Authority (DCA) Loan Portfolio Guarantee facilities - The Contractor will provide management and administration of BiH DCA facilities and will proactively work with BiH DCA banks to facilitate better utilization and accurate reporting to USAID.</p> <p>Pilot Integrated Services Program - The Contractor will facilitate a tri- partite arrangement between microfinance institutions (MFIs), government extension services, and private service providers that create remunerative demand for services, while helping farmers access finance.</p> <p>Expand equipment vendor financing - The Contractor must work with equipment vendors to support expanded vendor financing schemes with the backing of FIs.</p> <p>Contract farming - The Contractor must work with POs to develop contract farming that supports them to obtain a line-of-credit to finance farmer inputs. Farmers will sell their products to the PO and thereby repay their input loan.</p>
		3.3. Facilitate development of market-based insurance schemes for agricultural POs	<p>The Contractor will facilitate development of market-based insurance schemes for agricultural POs.</p> <p>The Contractor will work with FIs to promote insurance market development.</p> <p>The Contractor will promote the use of insurance with select lenders, and form alliances with insurance companies that focus on new forms of insurance distribution.</p> <p>The Contractor must work with MFIs (MiBospo and EKI, which are involved in agricultural lending) to help them package insurance with their loan products.</p> <p>Working through relevant sub-sector associations, the Contractor will promote awareness around new insurance products, services, and consumer protection and rights, and advocate for expansion of policies that encourage insurance, while ensuring adequate consumer protection.</p> <p>The Contractor must promote mechanisms that reduce uninsurable risks, and provide space for development of new commercially-feasible insurance products.</p>

Objectives, Results, and Steps	Activities	Tasks	
<p>Objective 1 CONTINUED: Strengthened agricultural POs that have adopted EU and international food standards and production techniques, produce new high value products, and have expanded markets</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 2,100 new jobs of assisted POs ✓ Exports of assisted POs in selected agricultural sub-sectors will increase by 90% ✓ Sales of assisted POs in selected agricultural sub-sectors increase by 65% ✓ Assistance provided to POs that represent at least 58% of the sub-sectoral output ✓ 22.44 mil BAM in new private investments in supported sub-sectors <p>STEPS:</p> <p>Step 1: Conduct a Baseline Survey</p> <p>Step 2: Design and implement interventions to address market failure</p> <p>Step 3: Ensure sustainability</p>	<p>Activity 3 – Improve Productivity and Increase Total Output</p>	<p>3.4. Improve workforce skills</p>	<p>The Contractor must apply a proven methodology, developed under FIRMA to successfully train over 4,300 people—many of whom were subsequently employed:</p> <ol style="list-style-type: none"> 1. Analyze and identify required workforce skills 2. Connect POs to vocational schools to jointly develop curricula for adult and formal training. Training approved by Ministry of Education 3. Deliver training with school (accommodate women trainee needs) 4. Establish Vocational and Educational Training Councils (and expand the 9 VETs set up on FIRMA). Ensure that women-led POs are represented in the VET councils 5. Provide the VET Councils with tools to run VET 6. Help the school identify finance mechanisms to deliver practical classes by leveraging funds from municipalities, the Employment Bureaus, and other donors (UNDP, GIZ) 7. Work with Employment Bureaus to help agronomists obtain practical experience <p>The Contractor must employ various outreach methods to engage young women and young men.</p> <p>The Contractor must leverage funds from government and other donors to purchase equipment and improve trainees' practical skills, as was done on FIRMA to help Tesanj school buy wood- processing equipment.</p>
		<p>3.5. Improve linkages between research institutions, private sector to foster innovation</p>	<p>The Contractor must strengthen connections between POs and research institutions to encourage collaboration, and support them to access EU innovation grant programs to address their financing limitations.</p> <p>The Contractor must also broaden OECD's successful pilot agribusiness innovation activity by tapping into underutilized EU funds that BiH is entitled to use (e.g. Horizon, Cost and certain cross-border and regional innovation programs.)</p> <p>The Contractor must invite POs that want to innovate to submit concept notes outlining the areas where they want to innovate, and an initial market assessment for demand for the product or service.</p> <p>The Contractor must support the research institutions and PO to develop an action plan and feasibility study for the product, and a customer needs assessment to determine its technological and economic feasibility.</p> <p>The Contractor must also support the partnership to apply for EU grant programs by engaging short-term experts who are experienced in EU grant programs.</p>
		<p>3.6. Agricultural Infrastructure: cold chain storage & packaging</p>	<p>The Contractor must implement the following activities to address the infrastructure challenge:</p> <p>Step 1: Complete a call for proposal for local communities and POs to submit concept notes providing information on what their agriculture infrastructure needs are.</p> <p>Step 2: Rank the concept notes based on how many POs and producers are affected by the lack of the specific infrastructure and assess the potential increase in sales and ROI that could result from the investment.</p> <p>Step 3: Present the projects to other donors and government to seek co-funding.</p>

Objectives, Results, and Steps	Activities	Tasks	
<p>Objective 2: Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 560 private legal entities (60) and individual farmers (500) certified in accordance with EU acquis and market requirements ✓ Ten public institutions are certified in line with the EU acquis and market requirements ✓ 40 pieces of legislation are harmonized to the EU acquis and submitted to Government(s) of BiH <p>STEPS:</p> <p>Step 1. Transpose laws and regulations in accordance with the acquis and finalize strategies. Using Cardno’s Collaborative Process, help government ministries and agencies establish working groups to draft priority laws, develop policies, and support enactment</p> <p>Step 2. Develop capacity to implement regulations and policies through three steps:</p> <p>Step 2.1. Work with agencies and ministries to identify institutional weaknesses that could hinder implementation</p> <p>Step 2.2. Sign an MOU with government counterparts to define the training program and ensure their commitment to the process</p> <p>Step 2.3. Conduct training and develop procedural manuals to ensure that what is learned is incorporated into the institution</p>	<p>Activity 4 – Prepare Conditions for IPARD Implementation</p>	<p>4.1. Garner Public Support and Deploy Public-Private Dialogue (PPD) to Advocate for Adoption of IPARD requirements</p>	<p>The Contractor must not apply an intensive media campaign under FARMA II; rather, the approach will be based on tactical outreach efforts around discrete reform issues and building capacities of farmer associations to deliver outreach activities</p> <p>The Contractor must work with farmer associations, POs, and rural municipalities to build their capacities to articulate the need for reform.</p> <p>The Contractor must engage local experts to develop policy papers on the economic benefits of IPARD for local farmers and train farmer association representatives on how to present the evidence-based arguments to government.</p>
		<p>4.2. Align Regulations to EU requirements at Sub-national Levels</p>	<p>The Contractor must work first with the Federation Entity (FBiH) to align policies to EU requirements.</p> <p>Through CARD, the Contractor must offer assistance to the RS Ministry of Agriculture.</p> <p>Work with selected Cantons to help bring their procedures and regulations into alignment with FBiH.</p>
		<p>4.3. Vest systemic capacity in public institutions to prepare for IPARD participation</p>	<p>The Contractor must deploy facilitate BDSPs to develop training programs that can be delivered to farmers and POs to start to prepare them during this pre-IPARD period; this way, future support to applicants will reside in the local service providers and development organizations and endure post-FARMA II.</p> <p>The Contractor must ramp up this sphere of activity only if political conditions are favorable towards the imminent adoption of the Rural Development Strategy.</p>
	<p>Activity 5 – Prepare Conditions and Upgrade Capacity of Food Product Quality Infrastructure</p>	<p>5.1. Update Legislative Gap Assessment and support government to draft legislation</p>	<p>The Contractor must apply its experience from countries like Croatia by first updating the legislative gap assessment developed by the EU TAIEX project seven years ago and will work with government to prioritize legislative action according to sub-sector needs.</p> <p>The next step will be to complete a gap assessment of Entity laws, which populate implementing regulations and must also align to the acquis for the Food Product Quality System to function properly.</p> <p>The Contractor must help the government establish working groups inclusive of public and private sector representation and will provide technical assistance where needed.</p> <p>The Contractor must promote use of regular consultations among BiH stakeholders to affirm political support and resolve conflicts and with businesses to ensure constraints are addressed.</p>
		<p>5.2. Address obstacles preventing export of fresh milk, dairy & poultry to the EU</p>	<p>After the baseline assessment is completed and reviewed, the Contractor must work with the government to develop action plans for fresh milk, dairy, poultry, and eggs to address export obstacles.</p> <p>The Contractor must identify policy areas affecting both sub-sectors (e.g., veterinary inspection and laboratory services for animal compliance), and leverage synergies in reform coalition building and outreach efforts.</p> <p>The Contractor must then work with the specific Food Product Quality Infrastructure institutions (veterinary and animal health services, inspectors, and laboratories) involved in implementing the remaining actions needed for BiH to export fresh milk, dairy and poultry products to the EU.</p> <p>The Contractor, with support from NIRAS, will call on experts from similar institutions we have worked with in newly-acceded countries to support food and vet agencies with this process.</p>

Objectives, Results, and Steps	Activities	Tasks	
<p>Objective 2 CONTINUED: Strengthened public sector that fully implements regulations, norms, practices, and rules in the areas of food, veterinary, and plant health and safety, accreditation, standardization, and quality certification related to food and agricultural products and meets EU and international best practice requirements.</p> <p>RESULTS:</p> <ul style="list-style-type: none"> ✓ 560 private legal entities (60) and individual farmers (500) certified in accordance with EU acquis and market requirements ✓ Ten public institutions are certified in line with the EU acquis and market requirements ✓ 40 pieces of legislation are harmonized to the EU acquis and submitted to Government(s) of BiH <p>STEPS:</p> <p>Step 1. Transpose laws and regulations in accordance with the acquis and finalize strategies. Using Cardno’s Collaborative Process, help government ministries and agencies establish working groups to draft priority laws, develop policies, and support enactment</p> <p>Step 2. Develop capacity to implement regulations and policies through three steps:</p> <p>Step 2.1. Work with agencies and ministries to identify institutional weaknesses that could hinder implementation</p> <p>Step 2.2. Sign an MOU with government counterparts to define the training program and ensure their commitment to the process</p> <p>Step 2.3. Conduct training and develop procedural manuals to ensure that what is learned is incorporated into the institution</p>	<p>Activity 5 – Prepare Conditions and Upgrade Capacity of Food Product Quality Infrastructure</p>	<p>5.3. Build capacities of public Institutions in the food product quality system</p>	<p>The Contractor must implement its Organizational Diagnostic Tool to assess the technical and management capability of the institutions.</p> <p>The Contractor must then sign an MOU to obtain commitments from the relevant ministries or agencies to fully participate in the capacity building program.</p> <p>Where capacity building plans do not exist, the Contractor must develop them together with the institutions.</p> <p>The Contractor must identify the best means to build capacity, including using twinning arrangements between BiH institutions and counterparts from EU member countries (particularly Croatia and other newer members) to mobilize experts from similar institutions to provide on-the-job training.</p> <p>The Contractor must organize focused study tours for smaller groups.</p> <p>Contractor capacity building programs focus on building technical capabilities, but the Contractor must continually do management consulting for agency directors. Each year, the Contractor must work with the institutions to assess their progress against the Diagnostic.</p>
		<p>5.4. Support accreditation of food laboratories</p>	<p>The Contractor interviews with laboratories suggest that they are equipped with the core operating instruments required for routine service delivery, but need funding for operational costs and need help to build their staff capacities.</p>
		<p>5.5. Improve capacities of inspection authorities</p>	<p>Step 1. Baseline survey (Objective 1) identifies which inspections cause most burdens on</p> <p>Step 2. Establish working groups in FBiH and RS to obtain more detail on problems POs</p> <p>Step 3. Identify areas for collaboration with IFC and World Bank</p> <p>Step 4. Implement “Organizational Diagnostic Tool” to identify where inspectors must improve</p> <p>Step 5. Sign an MOU with inspector agencies to deliver capacity building services. Work with ministries to deliver training direction.</p> <p>Step 6. Work with inspectors and ministries to draft harmonized and standardized inspection checklists across State, Entity, Canton, and Municipality levels; publicize these for radical transparency with POs and farmers</p> <p>Step 7. Explain to POs their rights and obligations; the Contractor must collaborate with the IFC to develop a database designed to improve risk-based inspections.</p>

ANNEX VI: ACTIVITY'S INDICATORS; TARGETS VS ACTUALS

INDICATOR NAME	OVERALL ACTIVITY BASELINE		Year 1		Year 2		Year 3	Year 4	Year 5	LIFE OF ACTIVITY
	Date	Value	Target	Actual	Target	Actual	Target	Target	Target	End of Activity Target
Percent change in exports of assisted POs	12/31/2015	1,737,427	10.5%	98.38%	13.1%		20%	13.33%	11.76%	90%
Percent change in sales of assisted POs	12/31/2015	67,835,913	13.7%	20.66%	9.94%		12%	10.71%	6.45%	65%
Number of POs receiving FARMA II technical assistance for improving business performance	12/31/2015	0	29	29	471	226	700	500	300	2,000
Output (sales) of assisted POs as a percentage of total sub-sectoral output	12/31/2015	7.4%	35%	9.50%	40%		45%	50%	58%	58%
Number of new full time officially registered jobs in USAID-assisted POs	12/31/2015	0	260	55	90		550	600	600	2,100
Total value of new investment in assisted POs	12/31/2015	0	1,572,843	2,245,587	2,167,157		3,740,000	7,480,000	7,480,000	22,400,000
Number of public sector organizations certified in accordance with EU acquis and market requirements	12/31/2015	0	0	0	3	0	3	1	3	10
Number of pieces of legislation related to agriculture and food harmonized to the EU acquis drafted and submitted to the Government(s) of BiH	12/31/2015	0	7	7	8	15	10	10	5	40
Number of private entities and individual farmers certified in accordance with EU acquis and market requirements	12/31/2015	0	63	0	105	349	185	115	92	560

ANNEX VII: LIST OF GRANTEES

	Beneficiary Name	Sector	Location	Grant Amount		Beneficiary Name	Sector	Location	Grant Amount
1	Poljoprivredna Škola Banja Luka JU	Cross Cutting	Banja Luka	20.647	28	Udruga voćara Voćar	Fruits and Vegetables	Orašje	37.682
2	Kiko doo	Cross Cutting	Bijeljina	64.957	29	Tarevci OPZ po Modriča	Fruits and Vegetables	Modriča	39.884
3	Obrtnička komora TK	Cross Cutting	Tuzla	73.580	30	Saradnja	Fruits and Vegetables	Istocno Sarajevo	40.000
4	Vanjskotrgovinska komora	Cross Cutting	Sarajevo	84.367	31	Udruženje proizvođača opštine Nevesinje	Fruits and Vegetables	Nevesinje	40.000
5	Milk Land Poljoprivredna zadruga	Dairy	Tuzla	35.030	32	Aster	Fruits and Vegetables	Cazin	40.457
6	Veterinarska Stanica Bugojno	Dairy	Bugojno	39.684	33	A-S komerc	Fruits and Vegetables	Mostar	41.800
7	Promilk po ZZ	Dairy	Prozor Rama	40.543	34	Plant doo	Fruits and Vegetables	Tuzla	42.040
8	Gračanka ZZ po	Dairy	Gračanica	46.713	35	Argonet	Fruits and Vegetables	Banja Luka	49.718
9	Zlatna Kap OPZ	Dairy	Tešanj	49.359	36	Linija Voća doo	Fruits and Vegetables	Brčko Banja Luka	54.719
10	Mons Produkt doo	Dairy	Teslić	54.159	37	Sezona doo	Fruits and Vegetables	Foča	55.000
11	Pađeni mljekara doo Plana Bileća	Dairy	Bileća	54.435	38	Uvac Rudo PZ	Fruits and Vegetables	Rudo	55.288
12	Natura Relax	Dairy	Sanski Most	55.960	39	Pale PZ	Fruits and Vegetables	Pale	55.875
13	SLUP	Dairy	Sanski Most	70.916	40	Prijedorčanka	Fruits and Vegetables	Prijedor	57.915
14	Eko Sir Puđa	Dairy	Livno	71.192	41	Dars Voće/Biofructus doo	Fruits and Vegetables	Derventa	58.600
15	Udruženje Proizvođača Mlijeka Gradiška	Dairy	Gradiška	75.010	42	EKO-BEI d.o.o	Fruits and Vegetables	Laktaši	65.000
16	Poljorad doo Turbe	Dairy	Travnik	86.369	43	Ekolife	Fruits and Vegetables	Stolac	67.639
17	Prva Boračka Plodovi Bosne	Fruits and Vegetables	Sarajevo	13.126	44	Mushrooms Trade doo	Fruits and Vegetables	Laktaši	69.882
18	Fana doo	Fruits and Vegetables	Srebrenik	17.602	45	Strucon doo	Fruits and Vegetables	Sarajevo	71.080
19	Agrisan OZZ	Fruits and Vegetables	Sanski Most	18.801	46	Dino Prom	Fruits and Vegetables	Mostar	72.000
20	Aidž	Fruits and Vegetables	Doboj Istok	21.006	47	Šumaplod doo	Fruits and Vegetables	Fojnica	74.422
21	Udruženje Žena Podrinja	Fruits and Vegetables	Vlasenica	21.932	48	Mamex doo	Fruits and Vegetables	Bijeljina	74.785
22	Kuća Prirode	Fruits and Vegetables	Sarajevo	31.292	49	Agrodar SPZ	Fruits and Vegetables	Bihać	77.200
23	PMG VIP	Fruits and Vegetables	Gradačac	32.095	50	Boletus RS doo	Fruits and Vegetables	Foča	78.233
24	Ein Natural	Fruits and Vegetables	Sarajevo	32.522	51	Euro Stil doo	Fruits and Vegetables	Doboj	78.974
25	Agroposavina Farm	Fruits and Vegetables	Derventa	35.816	52	Krajiška Malina SPZ p.o.	Fruits and Vegetables	Cazin	79.465
26	Udruženje Voćara Drina	Fruits and Vegetables	Ustikolina	36.480	53	Meli Funghi doo	Fruits and Vegetables	Cazin	79.728
27	Agrofood	Fruits and Vegetables	Bratunac	36.925	54	Herbos Nature	Fruits and Vegetables	Sarajevo	84.000

	Beneficiary Name	Sector	Location	Grant Amount		Beneficiary Name	Sector	Location	Grant Amount
55	Pronatura OZ Zenica	Fruits and Vegetables	Zenica	85.587	81	Ljbilje doo	MAP and Honey	Ljubinje	51.709
56	Delta Trade	Fruits and Vegetables	Zenica	85.861	82	Pčelica Medina	MAP and Honey	Žepče	51.923
57	Agroimpex	Fruits and Vegetables	Banja Luka	88.000	83	Udruga pčelara Iva	MAP and Honey	Posušje	58.410
58	Srebreničanka	Fruits and Vegetables	Srebrenica	88.663	84	Bojka	MAP and Honey	Ljubuški	60.474
59	AlmaDerm	MAP and Honey	Kladanj	8.802	85	Loznica PZ	MAP and Honey	Čapljina	61.074
60	Tim med OR	MAP and Honey	Bosanska Krupa	9.740	86	Bilje i Ljekobilje doo	MAP and Honey	Sokolac	61.300
61	Udruženje pčelara Vrijesak	MAP and Honey	Živinice	13.300	87	Udruga pčelara Pčela	MAP and Honey	Čapljina	63.214
62	Udruženje pčelara Medovina	MAP and Honey	Rudo	13.421	88	Krajinamed PZ Banja Luka	MAP and Honey	Banja Luka	63.496
63	Udruženje pčelara Kesten	MAP and Honey	Cazin	13.910	89	Košnica	MAP and Honey	Gradiška	71.574
64	Udruženje pčelara Radilica	MAP and Honey	Fojnica	14.000	90	Intera	MAP and Honey	Mostar	71.627
65	Krajiška pčela	MAP and Honey	Velika Kladuša	17.087	91	Eko Bio Gen	MAP and Honey	Grude	76.500
66	HUG Hercegovka	MAP and Honey	Nevesinje Stolac	24.000	92	BKV Group	MAP and Honey	Bileća	78.242
67	Miškić bus doo	MAP and Honey	Široki Brijeg	25.170	93	Anđelić	MAP and Honey	Trebinje	80.800
68	Okusi Hercegovinu doo	MAP and Honey	Mostar	28.720	94	Ferimport T.G.doo	MAP and Honey	Čitluk	84.000
69	Udruženje građana Golub	MAP and Honey	Brčko	34.646	95	Eko Aromatik doo	MAP and Honey	Ljubuški	88.890
70	Beemed	MAP and Honey	Tuzla	35.000	96	Agromix doo	Poultry	Doboj	12.448
71	Soldo Mont doo	MAP and Honey	Posušje	35.328	97	Madi doo	Poultry	Tešanj	24.180
72	Udruženje pčelara Leotar	MAP and Honey	Trebinje	37.256	98	Brovis DD	Poultry	Visoko	28.281
73	Malo Sunce doo	MAP and Honey	Mostar	37.607	99	PU Zajednica živinara RS	Poultry	Srbac	30.398
74	Dobrilović Medoprom	MAP and Honey	Derвента	37.754	100	Avis Dm	Poultry	Srbac	70.000
75	Udruženje pčelara Kadulja	MAP and Honey	Ljubuški	42.789	101	Andrić Farm	Poultry	Pelagićevo	70.778
76	Aroma Organica	MAP and Honey	Livno	44.009	102	Bios S	Poultry	Srebrenica	74.487
77	UPIP žepče	MAP and Honey	Žepče	44.038	103	Farmavit doo	Poultry	Ljubinje	80.000
78	LAG BZ Tomislavgrad	MAP and Honey	Tomislavgrad	45.010	104	Poljoprivredni proizvođač Grozdanović Zdravko	Poultry	Derвента	81.978
79	Nature Line	MAP and Honey	Trebinje	45.650	105	Poljovet doo	Poultry	Gradačac	82.000
80	Sloga-Zavidovići	MAP and Honey	Zavidovići	48.700	106	Poljoprivredni prehrambeni Fakultet Sarajevo		Sarajevo	53.713

ANNEX VIII: LIST OF TYPES OF ASSISTANCE

Type of assistance	Sector	Detailed activities (as of November 2017 database)
Fair attendance	Dairy	<ol style="list-style-type: none"> 1. Balkan Cheese Festival Fair, 2. Gulfood Trade Fair 2017, 3. V Balkan Cheese Festival, 4. Promotion at FARMA Day 2017, 5. B2B with German buyer for Fruits and Vegetables, 6. Days of women entrepreneurship Sarajevo 2016, 7. Study tour "Fair AGRA Gornja Radgona" Slovenia
	Fruits and Vegetables	<ol style="list-style-type: none"> 1. Gulfood Trade Fair 2017, 2. Anuga Fine Food Fair 2017, 3. Promotion at FARMA Day 2017
	MAP and Honey	<ol style="list-style-type: none"> 1. Biofach Fair 2017 Germany, 2. Days of women entrepreneurship Sarajevo 2016, 3. China CEEC Trade Fair, 4. Gulfood Trade Fair 2017, 5. Promotion at FARMA Day 2017
	Poultry	<ol style="list-style-type: none"> 1. Gulfood Trade Fair 2017
Study Tour	Dairy	<ol style="list-style-type: none"> 1. Study Tour to Slovenia - Fair Agra, 2. Study tour "Fair AGRA Gornja Radgona" Slovenia
	Fruits and Vegetables	<ol style="list-style-type: none"> 1. Study Tour to Slovenia - Fair Agra
	Poultry	<ol style="list-style-type: none"> 1. Study Tour to Slovenia - Environmental standards and energy efficiency 2. Study Tour to Slovenia - Fair Agra
Technical training	Dairy	<ol style="list-style-type: none"> 1. Categorization in dairy sector for FBO Phase IV-Tuzla, 2. TA - Negotiation about organization training's, 3. TA provided for the cooperants, 4. Categorization in dairy sector final – Teslić, 5. Categorization in dairy sector for FBO Phase IV-Laktaši, 6. Training of Cheese producers by Majda Tumpej in Monsprodukt Teslić, 7. Categorization in dairy sector for FBO Phase IV-Bileca, 8. Testing of mobile application for Animal Identification database, 9. Training for dairy farmers for improvement of quantity and quality of milk in Sanski Most, 10. Training for dairy farmers in Sanski Most, 11. Training of Cheese producers by Majda Tumpej in Zlatna Kap Tešanj, 12. Training on farm record keeping, 13. Training on farm record keeping for dairy farmers, 14. TA to Association Gradiska, 15. Categorization in dairy sector for FBO Phase IV-Zenica, 16. Improving the business of the cooperative, 17. TA - Improving production of raw milk, 18. Training for milk producers of cooperative Zlatna Kap, 19. Categorization in dairy sector final - Sanski Most, 20. Categorization of facilities in dairy sector - Banja Luka

Type of assistance	Sector	Detailed activities (as of November 2017 database)
Technical training CONTINUED	Fruits and Vegetables	1. Subcontract for Global GAP and Organic standards, 2. Subcontract for Agrolink for Global GAP and Organic standards, 3. Training of Cheese producers by Majda Tumpej in Zlatna Kap Tešanj
	MAP and Honey	1. TA provided by the consultant on immortelle production, 2. Marketing seminar (Banja Luka), 3. Marketing seminar (Sarajevo), 4. Support for marketing (AlmaDerm), 5. Subcontract for Agrolink for Global GAP and Organic standards, 6. Improving competitiveness in the poultry sector, 7. Fulfilling preconditions for market access – Sarajevo, 8. Training of Cheese producers by Majda Tumpej in Žepče
	Poultry	1. Implementation of BiH National Program for Salmonella Control, 2. Information about work company, 3. Mock inspection - Evaluation of poultry meat by Darius Remeika, 4. TA for the FBO in poultry sector, 5. Training and education of inspectors in preparation for the upcoming HFAA (ex FVO) audit to allow BiH export of poultry meat, poultry meat products to the EU, 6. Training and education of poultry farmers and veterinary inspectors and veterinarians in preparation for upcoming HFAA (ex FVO) audit to approve BiH export of poultry meat, poultry meat products and table eggs to the EU market, 7. Training for poultry organizations that deal with food - categorization of facilities – Bijeljina, 8. Improving competitiveness in the poultry sector, 9. TA in the Poultry sector, 10. Training for poultry organizations that deal with food - categorization of facilities – Bihać, 11. Training for poultry organizations that deal with food - categorization of facilities – Sarajevo, 12. Categorization in poultry sector Phase V final activity, 13. Training for poultry organizations that deal with food - categorization of facilities – Mostar, 14. Categorisation of facilities in poultry sector - Banja Luka, 15. Training for poultry organizations that deal with food - categorization of facilities - Laktaši

Type of assistance	Sector	Detailed activities (as of November 2017 database)
Business training	Dairy	<ol style="list-style-type: none"> 1. F&V catalogue of exporters, 2. Promotion with ViaMedia (Pađeni), 3. CERD - Code of Conduct training in Zenica
	Fruits and Vegetables	<ol style="list-style-type: none"> 1. F&V catalogue of exporters, 2. Trade mission to Sweden, 3. B2B with German buyer for Fruits and Vegetables, 4. Explore potentials for value chain financing, 5. CERD - Code of Conduct training in Zenica, 6. Catalogue of MAP exporters, 7. AgMentor Business Clinic – Rogatica, 8. Promotion with ViaMedia (Uvac), 9. Visit with VIA media to Uvac Rudo
Business training CONTINUED	MAP and Honey	<ol style="list-style-type: none"> 1. Catalogue of MAP exporters, 2. Promotion with ViaMedia (Elmar & Anđelić), 3. Support for marketing (Faveda), 4. F&V catalogue of exporters, 5. AgMentor Business Clinic - Rogatica
	Poultry	<ol style="list-style-type: none"> 1. Promotion with ViaMedia (Agreks), 2. Improving competitiveness in the poultry sector
Round table	Dairy	<ol style="list-style-type: none"> 1. Round table for dairy sector in Teslic, 2. Panel discussion about production and consumption of milk, 3. Round Table - Milk production in Tuzla Canton, 4. Strategic Plan Public Consultations
	Fruits and Vegetables	<ol style="list-style-type: none"> 1. Strategic Plan Public Consultations, 2. Innovation/Startups & Matchmaking (Katana) Event
	MAP and Honey	<ol style="list-style-type: none"> 1. Private Public Dialogue roundtables for MAP and honey, 2. Innovation/Startups & Matchmaking (Katana) Event, 3. Public-Private Dialog Forum
	Poultry	<ol style="list-style-type: none"> 1. Round table for poultry sector in Teslic, 2. Public-Private Dialog Forum

ANNEX IX: SECTOR CODES

Code	Code description
111	Growing of cereals (except rice), leguminous crops and oil seeds
113	Growing of vegetables and melons, roots and tubers
121	Growing of grapes
122	Growing of tropical and subtropical fruits
124	Growing of pome fruits and stone fruits
125	Growing of other tree and bush fruits and nuts
128	Growing of spices, aromatic, drug and pharmaceutical crops
130	Plant propagation
141	Raising of dairy cattle
145	Raising of sheep and goats
147	Raising of poultry
150	Mixed farming
230	Gathering of wild growing non-wood products
1011	Processing and preserving of meat
1012	Processing and preserving of poultry meat
1013	Production of meat and poultry meat products
1031	Processing and preserving of potatoes
1032	Manufacture of fruit and vegetable juice
1039	Other processing and preserving of fruit and vegetables
1051	Operation of dairies and cheese making
1052	Manufacture of ice cream
1083	Processing of tea and coffee
1086	Manufacture of homogenised food preparations and dietetic food
1091	Manufacture of prepared feeds for farm animals
2042	Manufacture of perfumes and toilet preparations
2053	Manufacture of essential oils
2120	Manufacture of pharmaceutical preparations
4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
4631	Wholesale of fruit and vegetables
4632	Wholesale of meat and meat products
4633	Wholesale of dairy products, eggs and edible oils and fats
4721	Retail sale of fruit and vegetables in specialised stores
4775	Retail sale of cosmetic and toilet articles in specialised stores
4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
7500	Veterinary activities

ANNEX X: COMMENTS FROM THE IMPLEMENTING PARTNER ON THE PERFORMANCE EVALUATION OF USAID / SWEDEN FOSTERING AGRICULTURAL MARKET ACTIVITY II REPORT AND THE EVALUATION TEAM RESPONSES

ANNEX X.I: COMMENTS FROM THE IMPLEMENTING PARTNER ON THE FARMA II EVALUATION



Fostering Agricultural Markets Activity II (FARMA II)

This assistance is from the American and Swedish people

March 30, 2018

Elma Bukvic Jusic
Development Assistance Specialist
USAID/BiH

Dear Elma,

Re: USAID/Sweden FARMA II Mid-term Performance Evaluation

The USAID/Sweden Fostering Agricultural Markets Activity (FARMA II) is pleased to provide its comments on the Mid-term Performance Evaluation that was conducted by the USAID MEASURE Project, implemented by IMPAQ. We wish to thank Davorin Pavelic, Brian Fahey, Jasmina Mangafic, Anesa Hadzic and Amy Kracker Selzer for the time and effort that they committed to preparing the mid-term evaluation.

On the whole, we found the mid-term evaluation to be a useful document and process. We recognize this as an opportunity for reflection, and a chance now to work with USAID and the Swedish Embassy to review and adapt FARMA II methodologies. We want to continuously improve, and are fully committed to the principles of adaptive management.

The evaluation is very detailed, and it is generally in-line with our approach and methodology and plans for the remaining two and a half years of FARMA II. We do want to provide a few clarifications on the recommendations and findings. We expect the report will eventually be a public document which will not only reflect on FARMA II work, but also contribute to the overall development community's knowledge base for implementation of market facilitation approaches. Therefore, we respectfully request that these comments be taken into consideration before finalizing and publishing the report.

Our comments on some of the main findings are as follows:

- **Findings 3 & 5:** These findings relate to the definition of POs and the suggestion that certain POs did not meet the AMEP criteria for ‘Assisted PO’. FARMA II assisted POs consist of private companies, cooperatives, associations, NGOs, public institutions and crafts organizations. They all have legally recognized status, including legally registered farmers in RS and craft organizations in FBiH. Not all of these POs are recorded in APIF/AFIP because they have sales of less than 50,000 BAM. However, they do have official documentation which can verify social contributions, direct taxes and other payments. Based on the latest AMEP definition of POs, these legal entities can be included as ‘Assisted POs’ even though they are not recorded in APIF/AFIP database.
- **Finding 16:** The evaluation team was not able to confirm the status of 300-400 beneficiaries due to difficulties in determining the sector to which they belong (using SIC codes), indicating that the majority of these unconfirmed beneficiaries may be coming from sectors with no specific relation to FARMA II sub-sectors. This is because many of these companies are registered as trading companies or with another core business, or in some cases (especially with associations and crafts) they are not included in APIF/AFIP due to reasons explained above. However, a certain percentage of their business activities and sales are generated from agriculture and/or food processing. FARMA II is aware of this issue and if needed can provide a separate list of the POs that are not explicitly registered for business activities related to the agri-food sector but which have a significant portion of their income generated from agriculture and/or food processing (e.g. Bingo, Medicom, etc.). Through the FARMA II Annual PO survey we determine the specific percentage of business activities related to the sector for these POs.

Our comments on the Main Recommendations are:

- **Recommendation 2:** FARMA II is in agreement that the combination of Grants and Technical Assistance (TA) is important. TA in support of PO grantees is on-going. The type of assistance and its timing is closely linked to the process of grant implementation and disbursement of funds. It is therefore important to note that at the time of the evaluation, over 50% of awarded grantees were not yet in receipt of any FARMA II grant funds. TA support planned for Year 3 will include over 60 training themes that FARMA II staff are able to deliver directly to grantee and non-grantee POs alike, complemented by TA that will be supported through the AgMENTOR Adviser network and through FARMA II STTA activities.
- **Recommendation 3:** FARMA II agrees that tailored TA is necessary for smaller POs in order to effectively address their competitiveness and market access issues. In fact, as the Project is approaching 95% utilization of its grant fund, provisions of tailored TA to FARMA II beneficiaries (directly and through AgMENTOR) is the main focus of Component I activities for the remainder of the Project. These activities will not exclusively focus on smaller POs. FARMA II has identified a further 20-30 larger scale POs across our target sub-sectors which are also intended to be included as assisted POs and a larger cluster of medium scale POs that will also be targeted. A detailed list of these target POs can be provided to the evaluation team.

Additionally, it should be noted that the business results of smaller POs will be affected not only by the direct influence on their business operations, but also by the density and connectivity of their respective value chains. As a market facilitation activity, FARMA II provides significant support to

larger POs not only with the goal of benefitting them directly, but also with the understanding of the transformative nature of impact such interventions have on the broader value chain operations. When larger firms are in a growth stage, it increases their demand for inputs and services supplied by other actors in a value chain, thus providing opportunities for smaller POs to increase their production capacity and quality, sales, and workforce.

- **Recommendation 4:** This recommendation does not appear to be well substantiated by any of the evaluation findings. Two physical AgMENTOR centers are currently tasked with providing certain business support services to POs and are also being piloted as points of contact aimed at increasing access to reliable, up-to-date impartial information, knowledge and expertise for the wider farming and agri-business community in their specific regions. As such, their role is also to assist in building more effective connections between existing business service provider networks and to help to build their capacities. The establishment and maintenance of these network linkages is an important part of the sustainability pathway for agri-business advisory services beyond FARMA II.
- **Recommendation 5:** Annex I provides an updated breakdown of financial resources contracted and spent as of March 30, 2018. This analysis also includes a short summary of outputs and outcomes thus far related to participation of private sector companies, farms, advisers and student internships. When considering the wider question of the effectiveness of TA multipliers in support of target beneficiaries and/or any comparison with alternative forms of TA provision, this will not be possible to measure until the AgMENTOR pilot services have been fully launched and therefore this recommendation is considered premature.
- **Recommendation 6, 7 & 8:** As recommended, FARMA II has prepared a draft Sustainability Plan which is included in Annex 2. This document also includes details of past and on-going activities which directly correspond to the recommendations made related to deployment of services and building stakeholder buy-in, many of which do not appear to have been fully taken into account during the evaluation process. The draft Sustainability Plan should be considered as a working document which is intended to be used to engage directly with USAID and the Swedish Embassy to ensure the optimal approach is agreed upon by all parties, prior to its finalization.
- **Recommendation 9:** This recommendation does not appear to have taken account of the significant actions already undertaken by FARMA II to engage with public and private sector stakeholders in the design and prioritizing of its activities. This began with the organization of a FARMA II Caravan during Year 1 which was explicitly designed to engage with stakeholders regionally and to identify their main needs and priorities. This was followed in Year 2 with the organization of a series of sub-sector public-private advocacy events to identify priority action plans in each sub-sector. This initiative culminated with the organization of a larger-scale public-private dialogue event, organized in partnership with the FBiH MoA in October 2017 which engaged a wide range of public and private sector stakeholders, followed by an advisers event organized in November 2017 with the participation of both entity MoAs. These initiatives have ensured that FARMA II activity planning is guided by the demands of the private sector and their priorities and needs, as the primary drivers in the development of a competitive agri-food sector. However, we acknowledge the need to further strengthen or cooperation with key public institutions and private sector stakeholders in the next period. FARMA II team has already made considerable progress in reconnecting with key institutions in the last quarter which has already resulted in new requests for policy assistance in a number of trade related areas.

- **Recommendation 10:** FARMA II has no current plans to provide further support for the implementation of the SPRD. Any activities or resources to be provided in this area will require direct consultation and agreement between the USAID, Swedish Embassy and the European Union. However, any support should ensure that it is in line with already identified private sector related priorities.

Thank you for your consideration of these comments. Please let us know if you have any additional comments, or would like to set up a time to discuss.

We appreciate the tremendous assistance that we have received from USAID and the Embassy of Sweden in implementing FARMA II to date and we look forward to further strengthening this partnership during the next period of implementation.

Sincerely,

Adrian Neal
Chief of Party

CC: Amira Ramhorst Vejzagic
Andrew Boegel

ANNEX I: Summary of AgMENTOR Resource Utilisation and Outcomes (as of 28 march 2018)

A) AgMENTOR Physical Centers / Services							
Link to subs resources	Services description	Results up to end Q1 2018	Additional information	Resources Planned (KM)	Resources Utilized (KM)	% Spent	Results by # of companies/ groups
CERD 1; REZ 1	Business Clinics	4 BCs organized; Additional business consultancy for 15 companies	At least 4 BCs will be organized; Consultancy for selected companies	102,652	51,326	50	103
CERD 2; REZ 2	Business Groups Formation	8 producers' groups assisted/formed;	5 ongoing and planned assistance	101,180	50,590	50	10 (incl. cca 30 individual farms associated)
CERD 3; REZ 3	Business Networking B2Bs	4 B2B meetings organized;	At least 4 B2Bs/networking events to be organized	69,924	41,383	59	58 companies; 13 retailers, financing institutions, insurance & consulting companies
CERD 4; REZ 4	Internships in Agri-Food Companies	193 students interested; 20 placed in 17 companies;	4-5 expected to be employed full-time;	49,190	41,900	85	17 host companies; 20 students;
FARMA II; CERD 5; REZ 5	Training of Advisers	Needs assessments undertaken; Platform profiles (254 advisers applications received until 28.03.2018. – approx. 235 adequate)	Assistance to MoA FBiH & private sector in certification programs; Potential for increase of advisers pool; Potential for increased reach to POs	61,449	0.00	0	254 adviser applications received; 170 companies + institutions recorded as adviser employers
FARMA II; CERD 6; REZ 6	Start-ups & Innovation Support	Agro-entrepreneurship basic + advanced packages for online + on-site education	TA through: specific agro-entrepreneurship program (potential for 80+ assisted/ 50+ newly employed)	86,874	0.00	0	n/a at the moment
Totals				471,269	185,199	39 %	Estimated 170 companies engaged to date

B) AgMENTOR Knowledge, Information and Training Platform							
Link to subs resources	Services description	Results up to end Q1 2018	Additional information	Resources Planned (KM)	Resources Utilised (KM)	% Spent	Results
Plan B 1-3; A387 1-3	Content preparation and platform development	Content of the sub-sectors and X-cutting prepared; Info and basic packages (incl. videos prepared for MAP, fruits, exports);	Educational materials (incl. video presentations - basic and advanced) prepared or in preparation; Possible cooperation discussed with UNDP MEG; More focus on user-generated content (articles, papers, videos etc.)	208,340	142,540	68	Content, info and basic packages developed for sub-sectors and X-cutting; Content received from other sources (video, success stories, topics-related materials)
CERD 7		News section under preparation (60 articles)	More focus on markets/business topics;	54,9800	0	0	n/a at the moment
Plan B 4-5; A387 4-5	Advisers	Needs assessments undertaken; Platform profiles (254 advisers applications received)	Assistance to MoA FBiH & private sector in certification programs; Potential for increase of adviser pool; Potential increase through adviser support scheme	96,380	0	0	254 adviser's applications received; 170 companies and institutions recorded as adviser employers; TCs formed
FARMA II; Plan B 4-5; A387 4-5	Platform Management & Launch	TCs (covering all segments of value chains) nominated for all subsectors; TAB members nominated;	Additional TC Employment will be launched in 2nd quarter; TAB to be established in 2nd quarter; Platform launch to be completed through roadshow in April				
Total				359,700	142,540	40 %	Estimated 150 companies engaged to date

Annex 2: AgMENTOR OUTLINE SUSTAINABILITY PLAN

Options for the future ownership and sustainability

(Internal document for discussion purposes only)

1. Background context – why AgMENTOR?

Based on FARMA II assessments²⁰, the current advisor to farmer ratio in Bosnia and Herzegovina is approximately 1 to 900. Estimates provided by the RS Ministry of Agriculture indicate that this ratio may be even higher, at over 1 to 1,100. In contrast, in the European Union, the average is between 50 to 90 farmers per individual advisor. This market gap in the provision of advisory services represents a significant challenge for the sector currently, restricting access to reliable information, knowledge and expertise which is so desperately needed by farmers and agri-businesses to help them to modernize, innovate and diversify their businesses. The expansion of these business support services and the gradual improvement of their range and quality is recognized by the majority of practitioners in the BiH Agri-food sector to offer the most cost effective way to boost sector productivity and competitiveness in the short to medium term (see *Appendix 1* for a summary of the current supply and demand for services).

2. FARMA II approach and methods to support Agri-food Business Support Services:

General approach: The FARMA II general approach to the development of agri-food business support services has been guided by an initial detailed analysis of the current situation, including an assessment of the perception of agri-businesses of the effectiveness of these services. This included the organization of targeted desk research²¹ and field based surveys of target stakeholders (advisers and farmers). This research revealed a wide range of past attempts to support the development of advisory services in BiH, predominantly supported by the donor community. However none of these efforts has resulted in the development of any overall structures or systems. Rather what has evolved is a patchwork of providers of varying quality, capacity and geographic coverage, with limited resources and weak linkages between the various parts. The analysis also revealed that the dominant providers of such services to agri-businesses exist within the private sector. Despite this fact, the primary focus of public sector policy at all levels has remained obstinately focused upon the funding of a relatively small number of publicly funded advisers. However, these publicly funded advisers tend to be used predominantly for the administration of government sponsored support programs, leaving little capacity to provide practical advisory services.

The FARMA II approach to support Agri-Food Business Support Services has been designed to catalyze the repositioning of existing public and private advisory service providers around more robust and integrated solutions, aiming to actively encourage and promote:

- Increased access to reliable, neutral and up-to-date information, knowledge and expertise for existing service providers (public and private) + the wider farming and agri-business community;
- Build more effective connections within and between existing business service provider networks;
- Develop effective systems and services that can help sustain these network connections and continue to provide access to up-to-date information, knowledge and expertise, post project.

²⁰ Further supported by other donor-led studies of advisory services incl. GIZ, IFAD and UNDP over the last 3-4 years.

²¹ This included a review of various reports and data obtained from different sources including FAO; UNDP; Agency for Statistics of BiH; USAID; European Commission (EC); Arcotrass GmbH; Institute for Statistics of RS; IBRD; Ministry of Agriculture, Forestry and Water Management of the RS (MAFWM-RS); World Bank; GIZ etc.

- Enhancing trust in local quality products, by showcasing the production, processing and sales process in all subsectors

Specific approach: The FARMA II specific approach to support the development of agri-business support services has included the following main activities to date:

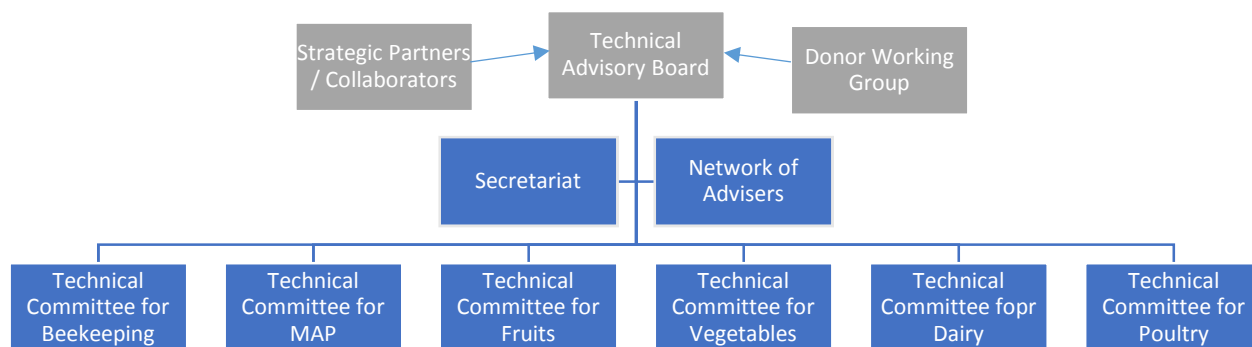
- Establishment of the Donor Advisory Services Working Group:** FARMA II initiated the formation of a Donors Working Group for Advisory Services in December 2016, involving all active agri-food related projects engaged in providing training and advice in BiH at that time²². Various initiatives were launched with the support of this working group, primarily followed up through technical sub-groups that were tasked with responsibilities for: (i) Adviser training needs assessments and curricula development; (ii) Adviser network development; and (iii) Adviser Financing Options identification. These actions were also aided by the engagement of a short term international expert by the project, who assisted in the analysis and in the preparation of specific proposals to guide design of pilot services and mechanisms, including the elaboration of initial proposals for pilot financing of private advisory services.
- Launch of a request for proposals to pilot AgMENTOR services:** Stemming from these donor coordination activities, FARMA II designed and launched a Request for Proposals (RFP) for Agri-Business/AgMENTOR Support Services. The AgMENTOR initiative was/is intended to: (i) increase the quality, range and access to agri-business support services throughout BiH; (ii) contribute to the longer-term goal of building a core cadre of professional agriculture and agri-business advisers, operating within a vibrant, transparent and efficiently functioning BiH agri-business consultancy market. AgMENTOR aims to link and support the development of existing public and private agri-business services, targeted at individual farmers and agri-food businesses and key value-chain intermediaries in the sector. The approach seeks to combine the development of virtual agri-business information, knowledge and learning services, available through a newly developed web platform, with the networking of physical agri-business advisory support services that exists throughout the country that can together contribute to the development of a more holistic, integrated system. Target stakeholders for AgMENTOR service provision include: individual farmers; agri-food processors; rural entrepreneurs; experts; advisers; consultants; training organizations; and trainers.
- Establishment of the Network of Agri-food Advisers:** To underpin the development of the AgMENTOR services, FARMA II also launched, in parallel, the establishment of a Network of Agri-Food Advisers. This led to the signing of an MoU in June 2017 between five founding member organizations, representing approximately 30 individual advisers throughout BiH. Various initiatives have followed to promote and expand this network that has subsequently been linked and integrated within the AgMENTOR platform, providing a dedicated advisers knowledge hub and network.
- Establishment of Sub-sector Technical Committees:** To guide the development of AgMENTOR sub-sector knowledge hubs, FARMA II has been gradually establishing Technical Committees (TCs) for all of its target sub-sectors. These TCs include representatives from: private sector value chains; sub-sector specialists and advisers from both the public and private sector; leading associations and chambers and academic experts. The TCs are primarily responsible for ensuring that high-quality and demand-driven impartial content is made available on the AgMENTOR platform for the selected sub-sectors, presented in a user-friendly manner using modern, multi-media communication methods and

²² This included Swiss caritas; GIZ ProLocal; UNDP; IFAD; Catholic Relief Services (CRS) and FARMA II

tools. Relevant experts included within the TCs are tasked with reviewing proposed content, suggesting changes and improvements, including proposals for the development of appropriate new content and materials.

- e. **Establishment of an AgMENTOR Technical Advisory Board:** To ensure the technical integrity of the content being developed and posted on the AgMENTOR platform and to guide the strategic development of both virtual and physical AgMENTOR services, a Technical Advisory Board (TAB) will be established. Participation in the TAB will be on a voluntary basis. The TAB will seek to embrace all key stakeholder organizations that have become contributors to the content in the development of future services. This is anticipated to include BiH and entity sector associations, training institutions, advisory organizations, AgMENTOR physical service providers, key Ministries, Donors, relevant chambers and other identified key stakeholder representative groups. Identification of initial nominees for the TAB are on-going, estimated not to exceed 25 representatives.
- f. **Support for the Federation MoA Adviser Training and Certification program:** In the FBiH legislation has recently been introduced by the Federation BiH Ministry of Agriculture (FBiH MoA) which is intended to regulate public and private advisory services, requiring the licensing of private extension services and agencies to be eligible to support farmers and producer organizations in their day to day production and operations. This includes the publishing of a compulsory training curricula and certification program for agricultural advisors (see www.fmpvs.ba). This has been followed up with the issuing of a public call to engage educational institutions in the Federation to conduct a training and certification program, based upon this curricula (<https://fmpvs.gov.ba/2018/02/12/obavijest-o-javnomo-zivul/>). FARMA II has committed to partner with the FBiH MoA to support this training program. The Ministry will support the costs of training and certifying public advisers and FARMA II is planning to support the funding of private advisers.
- g. **Building collaboration and strategic partnerships:** This is being addressed through two distinct channels, namely through: (i) Working directly with members of the agri-food related donor community, and linking with projects/organizations which have common targets (namely USAID PPMG, USAID EIA, USAID Diaspora, UNDP Municipal Economic Governance Project; World Bank, Care International, Heinrich Boll Stiftung). These projects are providing support in input provision/support and collaborative efforts on content development (i.e. courses for specific groups, such as agri-food startups or involvement of local economic advisers in AgMENTOR platform); (ii) Working with identified agri-food private sector leaders at different levels (retailers, large processors, mid-size processors, networks of farmers'/producers' associations), through Technical Committees as the main cooperation format. Cooperation and strategic partnerships with this group include areas of joint interest, such as: involvement of companies' advisers in education and mentoring activities and service provision for cooperant networks; in-kind contributions (i.e. awards for campaigns or challenge competitions, contributing through the use of facilities for shooting video materials or undertaking educational activities etc.); participation in joint promotional activities or campaign for relevant sub-sectors; joint curricula development and execution of life-long learning, practical hands-on programs (primarily in the propulsive subsectors which are not well integrated into official certification programs); retailers' interest in promoting their needs and collection process to prospective low-level suppliers (local farms and individual producers).

Diagram 1: AgMENTOR Strategic Coordination and Management Structures



3. AgMENTOR ownership and sustainability pathway

The FARMA II approach for the development of a viable AgMENTOR ownership and sustainability pathway seeks to address the existing fragmented and dysfunctional institutional and organizational structures and systems in BiH today, at all levels. Failure to address these structural and systemic weaknesses in the design of any interventions is unlikely to yield any sustainable results or longer term impact.

Building viable network connections: Research findings clearly indicate that the primary focus of any support should seek to build connections between the various stakeholders in the existing eco-system. It was further determined that in order to be able to effectively establish and build these connections would require the development of services that could provide tangible support and direct benefits to network participants. This has therefore been the driving force behind the design and development of the AgMENTOR network services sustainable pathway approach and methods from the outset.

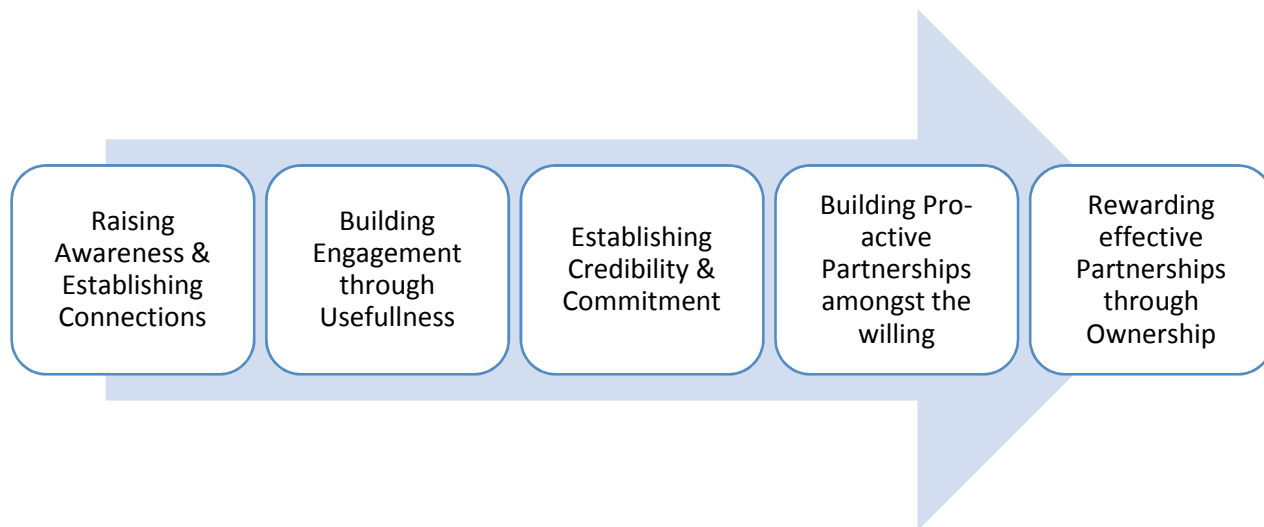
Establish tangible and credible services: Through the development of a basic suite of useful and reliable support services, participants can immediately benefit by being connected to the network. And as more participants become involved, the sharing of information, knowledge and expertise through the network will expand. This, in turn, will lead to the demand for new services and support mechanisms that can be designed by and for the members of the network, gradually fostering confidence, credibility and commitment and attracting wider interest and participation within the sector, as other institutional partners begin to recognize the benefits and complementarity of such services and network approaches.

Challenging traditionalism and conservatism: For the AgMENTOR service approach to be successful in securing a sustainability pathway it must gradually engage with and secure the support of a wide and spectrum of perspectives and viewpoints that exist within the sector, from the more modern, outward looking, pro-active agri-business community (predominantly youth-based) to the more skeptical, traditionalist and conservative production focused community. The approach must aim to appeal to all groups whilst encouraging convergence around common needs and priorities. This requires building of service approaches that include more traditional and older style mechanisms, whilst combining this with more modern, dynamic and interactive mechanisms, learning methods, exchange platforms and tools, predominantly relying upon social media/ multimedia content generation, where possible.

Building practical partnerships: Through engagement on practical concerns and issues, working level partnerships is being gradually established and developed both between network members and AgMENTOR service providers, as well as with the institutional setup which currently lacks effective collaboration structure (ministries, agencies, institutes, chambers etc.). These partnerships will be encouraged and promoted at local, regional, entity and country level, where possible, aiming to culminate in the establishment of more formal structure(s) that can guide the strategic development of AgMENTOR services in the medium to long term. And through this evolutionary process, leading organizations will be identified and encouraged to take on more leadership and management roles in the delivery of certain services, ultimately guiding the process forward to allow for the establishment of legal agreements for the transfer of ownership and management of AgMENTOR services to a core group/structure of organizations that are recognized as the natural leaders and propagators ‘of the network, by the network’.

Building partnerships through participation: Designing and prematurely imposing any pre-defined ownership solutions on network members may risk the longer term sustainability of these services. Therefore the sustainability path chosen is based upon encouraging participatory leadership or future partners. This is considered to be the most likely path to sustainable partnerships and ownership.

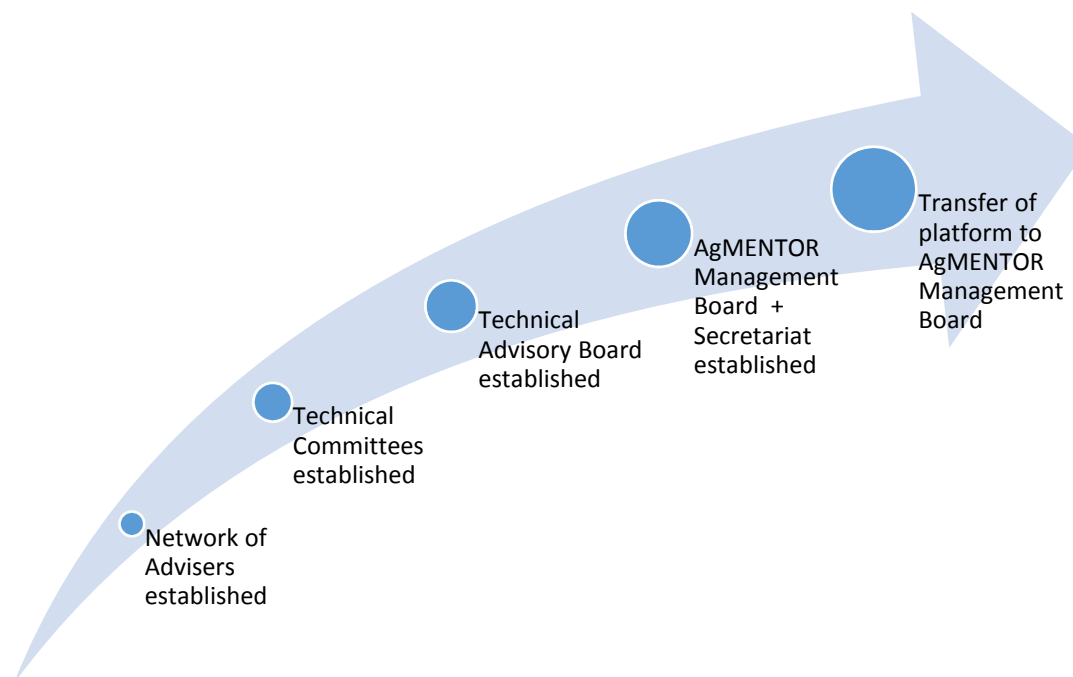
Diagram 2: AgMENTOR Conceptual Sustainability Pathway



4. Building the practical mechanisms of AgMENTOR ownership and sustainability

The FARMA II strategy for the gradual development of ownership and sustainability was developed at the time of the launch of the RFP for services in early 2017. This allowed for the inclusion of certain services within the sub-contracts that were awarded at that time that could be used to facilitate the gradual engagement and commitment of value-chain experts and organizations, in a participatory approach. The basic steps in this process are summarized in the diagram below. Further details of progress and/or planned actions in the development of these mechanisms are summarized in the descriptions below:

Diagram 3: AgMENTOR Practical Sustainability Pathway



a. Network of Advisers established (on-going since June 2017):

FARMA II has received 254 AgMENTOR individual adviser applications to date (March 28th). These individual adviser applications are linked to approximately 170 companies/ institutions, public and private, covering a wide spectrum of advisory services. Applications have been received from throughout BiH. Moreover, the number of advisers applying is expanding daily and is expected to rise to over 300 adviser contacts by the end of April. The initial launch of the AgMENTOR platform is planned for April 18th. This will be a limited launch, focused initially on advisers only. This will involve the organization of up to 7 regional events throughout BiH, aiming to promote the platform and advisers toolkit. The events will also aim to link the AgMENTOR services to existing advisory services and/or schemes that may exist throughout the different regions and ensure complementarity.

b. Technical Committees established (Jan-March 2018):

FARMA II has identified and initiated organization of TCs for all of the six target sub-sectors during the last three month period (January to March 2018), engaging with more than 80 stakeholder representatives, as part of this process. Follow up TCs are planned for the next quarter in all sub-sectors. This is intended to be sustained throughout the next three quarters, as a minimum.

c. Technical Advisory Board established (May 2018)

FARMA II will organize the establishment of the TAB, as part of the preparatory actions planned for the public launch of the AgMENTOR platform in May 2018. Identification of initial nominees is on-going.

d. AgMENTOR Management Board established (December 2018)

FARMA II will identify leading TAB member organizations and propose options for the detailed management and organizational form of AgMENTOR and the proposed transfer and mentoring plan for core AgMENTOR services, as part of the establishment proposals for the AgMENTOR Management Board. This is currently planned to be developed by December 2018, subject to the progress achieved in other steps outlined above in the next period.

e. Transfer of platform to AgMENTOR Management Board (December 2019)

Full transfer of the platform and services is planned to be completed by December 2019. Further technical support and mentoring are intended to be provided by FARMA II in targeted areas, as part of this transfer plan, to be continued during 2020.

5. Options for future funding of AgMENTOR services

There are a variety of ways in which to maintain future AgMENTOR services. The types and level of funding will largely be dependent upon the final selection and commitment of future management partners. The approach could be (i) exclusively private sector based; (ii) exclusively public sector based; or (iii) a combination of private and public. The relative benefits and risks of these approaches is summarized in the table below:

Table 1: Partnership options

Funding partners	Anticipated benefits	Anticipated risks
Private sector	Various private funding sources available and interested; Ownership options more simple and clear; Available capacity to manage targeted services	Potential loss of neutrality; Potential loss of non-profitable services; Increased costs of services to businesses, limiting access to small-scale farmers;
Public sector	Key institutions will remain in place; Budget sources, if secured, can potentially be sustained (but subject to political will and change)	Lack of commitment to support private sector advisory networks; Lack of service orientation; lack of capacity to manage systems/services;
Public-private partnership	Combines strengths and interests of both public and private sector; multiple sources of funds possible	Lack of trust between partners; More challenging legal form; complex management structures; no effective precedents for such partnerships in the sector

Potential sources/options for resources and/or revenue streams are anticipated to include (but are not limited to) in-kind contributions, technical support and finance. Below is an outline of the types of support possible:

Table 1: Possible AgMENTOR resource and funding options

Stakeholder organization(s)	Source of funds	Estimated scale / quantity
Individual Farmers / Associations	Membership subscriptions / fees	5,000 - 50,000
Network of Advisers	Membership subscriptions / fees	150 – 800
Agri-business companies	Corporate subscriptions / fees	150 - 1650
Agri-food related companies (transport, freight management, standards, marketing, sales agents, legal offices etc.)	Advertising financial products and services	50-70
Large agri-food retailers (Bingo, Market As, Tropic, Amko komerc)	Corporate subscriptions/fees	20-30
Large agri-food processors (MADI, Brovis, Akova-Impex, Perutnina, Meggle, ZIM, Milkos, Padeni, Vitaminka etc.)	Corporate subscriptions/fees	20-30
Mid-size processors	Corporate subscriptions/fees	100-150
Input suppliers	Advertising sales and revenues	200 – 400
Financial institutions (20 banks; 24 micro-credit foundations; 26 insurance companies; 5+ leasing companies; 3+ factoring institutions.	Advertising financial products and services	50-80
AgMENTOR services	Service revenues / fees / commissions	TBD
Municipal governments	Local budgets / subsidies	143
Cantonal governments	Local budgets / subsidies	10
Entity governments	Entity budgets / subsidies	3
Donor Organizations	Donations / grants	Multiple

6. Sequencing of follow up actions/next steps on the sustainability pathway

The following short term actions are planned in 2018:

March – April	Completion of updated to platform content based on Technical Committees feedback and inputs
March – April	Launch of Advisers Training and Certification Program(s)
April – May	Regional AgMENTOR launch events in Sarajevo, Mostar, Bihac, Tuzla, Banja Luka, Trebinje and Brcko
May – June	Establishment of Technical Advisory Board (TAB)
May – June	Launch of AgMENTOR campaign for farmers and agri-businesses
May – October	Piloting of 'Provision of Advisory services to farmers and agri-businesses' scheme
December	AgMENTOR Management Board established

Appendix I:

Assessment of the Supply and demand for BiH Agri-food Business Development Advisory Services

Supply of advisory services to farmers and agri-businesses in BiH, both public and private, varies considerably across the country, in terms of the level of availability, quality and range of services available.

In the RS there is a dedicated public extension service which is focused on supporting primary production. Their responsibilities include providing extensive support for the management and administration of government programs, including all main subsidy programs, leaving very limited room for the provision of other forms of advisory services to farmers. Services provided are generally not market driven. Staffing includes approximately 77 core staff, out of which only 40 people are active, field based, extension workers. In general, the service is underfunded and understaffed.

In FBiH, the advisory system was originally established at Canton level, with no central service coordination or support structures. In most Cantons the system is sporadic and where it does exist, staff are generally over-burdened by administrative obligations linked to the processing and documenting of canton-level subsidy schemes. They also tend to lack access to knowledge, information or resources to provide effective advice or support to farmers and agri-businesses.

Some Municipalities have chosen to finance extension officers to implement their municipal action plans for agriculture and livestock. These officers usually focus on technical issues, generally lacking expertise on issues regarding processing and marketing of agri-food products, farm management, business development and/or cooperative management or value chain development.

Public Business Development Service Providers in BiH include regional development agencies such as SERDA, REZ and REDAH which have been seed-financed by various international donors in the past. These institutions were intended to assist in strengthening coordination and promotion of economic development in specific macro-regions of the country. However, due to limited domestic funding being made available, these agencies have largely remained dependent on donor-funded projects for their survival. In parallel to these larger agencies, many municipalities in FBiH have set-up small local development agencies to promote economic development, including agri-food and to gain access to project funding.

Private business development service providers are available in various parts of the country, providing services covering marketing, branding and market research to legal and financial advice. However the majority tend to offer their services in the larger urban centres such as Sarajevo, Banja Luka, Mostar and Bihac, with only limited outreach to rural areas. Moreover, the cost of such services is relatively high when considering the income levels of small scale farmers and their organizations.

Private farm advisory services are frequently linked to companies that commercialize agricultural inputs or buy up specific agricultural produce. Their role is to ensure that farmers are growing the right quality/quantity of produce and using defined products. They also tend to be organized within specific sub-sectors, with narrow specializations. Where they exist, services are normally organized through farming organizations and/or agri-food processors who employ technical experts in the field they are operating in and offer subsidized advisory services to a limited pool of farmers with whom they have contractual relationships. The most organized of these is the berry production sector currently.

Linkages between organizations: Moreover, linkages between private and public advisory service providers are very limited. Linkages between existing advisory services and education and research institutions are also weak or non-existent. Where training institutions have well qualified and experienced personnel, these experts are occasionally involved in organizing and delivering targeted trainings both to farmers and advisors but this tends to be somewhat ad hoc and uncoordinated. In general, training institutions also suffer from a lack of well qualified staff, finance and public support which, in turn, hinder any form of knowledge development and exchange.

Demand for advisory services by farmers and agri-businesses in BiH are significant. According to the 2013 BiH Population Census, there are over 360,000 rural households in BiH, of which over 55,000 are involved in commercial farming activities. This includes less than 15% of farms with more than 5 hectares of agricultural land and over 54% with 2 ha or less. However the ability to pay the full costs of such services remains very limited.



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MONITORING AND EVALUATION
SUPPORT ACTIVITY (MEASURE-BiH)

ANNEX X.II: THE EVALUATION TEAM RESPONSES TO COMMENTS FROM THE IMPLEMENTING PARTNER

May 7, 2018

To:

Elma Bukvic Jusic
Development Assistance Specialist / MEASURE-BiH COR
USAID/BiH

Subject: THE EVALUATION TEAM'S RESPONSES TO COMMENTS FROM THE IMPLEMENTING PARTNER ON THE PERFORMANCE EVALUATION OF USAID / SWEDEN FOSTERING AGRICULTURAL MARKET ACTIVITY (FARMA) II REPORT

Dear Ms. Bukvic-Jusic,

Below, we have provided the evaluation team's responses to comments received from the implementing partner on the Performance Evaluation of USAID/Sweden Fostering Agricultural Markets Activity (FARMA) II report.

RESPONSES TO THE IMPLEMENTING PARTNER'S COMMENTS

IP's Comment #1:

Findings 3 & 5: These findings relate to the definition of POs and the suggestion that certain POs did not meet the AMEP criteria for 'Assisted PO'. FARMA II assisted POs consist of private companies, cooperatives, associations, NGOs, **public institutions** and crafts organizations. They all have legally recognized status, including legally registered farmers in RS and craft organizations in FBiH. Not all of these POs are recorded in APIF/AFIP because they have sales of less than 50,000 BAM. However, they do have official documentation which can verify social contributions, direct taxes and other payments. Based on the latest AMEP definition of POs, these legal entities can be included as 'Assisted POs' even though they are not recorded in APIF/AFIP database.

The Evaluation Team Response #1:

Regarding finding #3, please note that this finding does not include a discussion of the criteria for “Assisted POs” status. Rather, it notes that the total number of POs in the assisted sub-sectors was not established at the commencement of the Activity,²³ thus limiting the availability of baseline data for monitoring and evaluation.

In the list of FARMA II beneficiaries file (version of 150118), the evaluation team noted that more than 90 public sector institutions were reported as POs. However, according to the AMEP definition of POs, public institutions are not considered to be producer organizations (Revised Activity Monitoring and Evaluation Plan (AMEP): PIRS #1 – page 15, PIRS #2 – page 17, PIRS #3 – page 20, PIRS #4 – page 22, etc.).

Finding #5 is related only to the indicator “Number of POs receiving FARMA II’s technical assistance for improving business performance” (PIRS #3). Here, the PO definition is the same as above and does not include “public institutions.” However, criteria for granting “Assisted PO” status is different than other PIRS because financial assistance is not considered to be a type of technical assistance (PIRS #3). Therefore, while 59 POs from the list of 226 “Assisted POs” submitted by the IP were assisted grantees, they did not receive adequate technical assistance that would grant them status of “Assisted PO” as applies to this indicator.

IP’s Comment #2:

Finding 16: The evaluation team was not able to confirm the status of 300-400 beneficiaries due to difficulties in determining the sector to which they belong (using SIC codes), indicating that the majority of these unconfirmed beneficiaries may be coming from sectors with no specific relation to FARMA II sub-sectors. This is because many of these companies are registered as trading companies or with another core business, or in some cases (especially with associations and crafts) they are not included in APIF/AFIP due to reasons explained above. However, a certain percentage of their business activities and sales are generated from agriculture and/or food processing. FARMA II is aware of this issue and if needed can provide a separate list of the POs that are not explicitly registered for business activities related to the agri-food sector but which have a significant portion of their income generated from agriculture and/or food processing (e.g. Bingo, Medicom, etc.). Through the FARMA II Annual PO survey we determine the specific percentage of business activities related to the sector for these POs.

The Evaluation Team Response #2:

The evaluation team’s analysis of the SIC codes suggests that there are a large number of reported POs whose core business is unrelated to the FARMA II’s sub-sectors. This includes IT companies (computers and programming, data processing, etc.), large automotive oil and gas retail chains (gas stations), freight and transport companies, consulting companies in sectors other than agriculture (architects, mechanical engineering, etc.), advertising agencies, etc. The evaluation team is not concerned about having POs registered under SIC codes different from those associated with the FARMA II’s sub-sectors if it has been verified that a substantial and specific portion of their sales, exports, investment and new jobs can be

²³ *“The Contractor must work with CERD to conduct a survey of target value chains in the first four months of FARMA II. This Value Chain Baseline Survey instrument will be used to collect data about POs (sales, employment including employment figures for producers in their value chains, exports), which will provide baseline data for indicators”*

attributed to FARMA II's sub-sectors. Additionally, there is a large number of public institutions (over 90) reported as POs, including for example, the Statistical Agency, BiH Food Safety Agency, Directorate for European Integration, Employment Bureaus, etc. (for FARMA II's sub-sectors, please see the Revised Activity Monitoring and Evaluation Plan (AMEP): USAID/Sweden Statistical Codes and descriptions used to calculate sectoral output – page 36).

IP's Comment #3:

Recommendation 2: FARMA II is in agreement that the combination of Grants and Technical Assistance (TA) is important. TA in support of PO grantees is on-going. The type of assistance and its timing is closely linked to the process of grant implementation and disbursement of funds. It is therefore important to note that at the time of the evaluation, over 50% of awarded grantees were not yet in receipt of any FARMA II grant funds. TA support planned for Year 3 will include over 60 training themes that FARMA II staff are able to deliver directly to grantee and non-grantee POs alike, complemented by TA that will be supported through the AgMENTOR Adviser network and through FARMA II STTA activities.

The Evaluation Team Response #3:

The evaluation team recognizes that some of the grantees were recently awarded grants. However, the scope of the evaluation of FARMA II included all results, activities, and beneficiaries through the end of 2017. This included all 106 grantees identified by FARMA II.

IP's Comment #4:

Recommendation 3: FARMA II agrees that tailored TA is necessary for smaller POs in order to effectively address their competitiveness and market access issues. In fact, as the Project is approaching 95% utilization of its grant fund, provisions of tailored TA to FARMA II beneficiaries (directly and through AgMENTOR) is the main focus of Component I activities for the remainder of the Project. These activities will not exclusively focus on smaller POs. FARMA II has identified a further 20-30 larger scale POs across our target sub-sectors which are also intended to be included as assisted POs and a larger cluster of medium scale POs that will also be targeted. A detailed list of these target POs can be provided to the evaluation team.

Additionally, it should be noted that the business results of smaller POs will be affected not only by the direct influence on their business operations, but also by the density and connectivity of their respective value chains. As a market facilitation activity, FARMA II provides significant support to larger POs not only with the goal of benefitting them directly, but also with the understanding of the transformative nature of impact such interventions have on the broader value chain operations. When larger firms are in a growth stage, it increases their demand for inputs and services supplied by other actors in a value chain, thus providing opportunities for smaller POs to increase their production capacity and quality, sales, and workforce.

The Evaluation Team Response #4:

The evaluation team agrees that assisting and working with large POs is important in achieving targets and that large POs are important for business operations of micro and small POs. However, because of the fact that until the end of the life of the Activity, a majority of FARMA II's beneficiaries will be micro and small POs with low export and job creation capacities. Therefore, the evaluation team recommends that in the next period, FARMA II delivers direct, tailored, and individualized TA to POs in order to assist

these small producers to significantly upgrade their business operations and increase their sales, exports, and create new jobs.

IP's Comment #5:

Recommendation 4: This recommendation does not appear to be well substantiated by any of the evaluation findings. Two physical AgMENTOR centers are currently tasked with providing certain business support services to POs and are also being piloted as points of contact aimed at increasing access to reliable, up-to-date impartial information, knowledge and expertise for the wider farming and agri-business community in their specific regions. As such, their role is also to assist in building more effective connections between existing business service provider networks and to help to build their capacities. The establishment and maintenance of these network linkages is an important part of the sustainability pathway for agri-business advisory services beyond FARMA II.

The Evaluation Team Response #5:

Data from our survey and KIIs show that AgMENTOR physical centers are not fulfilling the role of providing knowledge and expertise or linkages with the existing business service provider networks.

- The majority of interviewees, including about 55 percent of beneficiaries, had never heard of AgMENTOR.
- The majority of interviewees had not heard of REZ and CERD and a majority of interviewees do not know that these two organizations run AgMENTOR physical centers.
- Major stakeholders expressed concerns about the level of expertise of these two NGOs to serve as the main agricultural and extension service reference points in BiH.
- Representatives of the AgMENTOR physical centers stated that it was difficult to find POs interested in services offered by two AgMENTOR physical centers.
- The majority of interviewees emphasized the need for advisory services in close proximity to them and noted that these services should reflect specific local needs. However, the two AgMENTOR physical centers are geographically distant from the majority of agricultural producers and are under-staffed and under-resourced to provide agricultural extension and advisory services across the country.
- Major stakeholders and about 38% of interviewees are of the opinion that the AgMENTOR approach and centers are not sustainable. The rest of the interviewees did not have any specific opinion about it.
- About 30% of all interviewees, including major public sector stakeholders and donors, stated that AgMENTOR should be implemented together with existing extension and advisory services (56% of interviewees did not have any specific opinion about it).
- When AgMENTOR was explained to them, about 55% of all interviewees stated that the concept might be useful and the rest of interviewees did not have any specific opinion about it. However, the majority of those who think that the approach might be useful were referring mainly to the AgMENTOR web portal as a potential tool for centralizing agricultural information in one place.

IP's Comment #6:

Recommendation 5: Annex I provides an updated breakdown of financial resources contracted and spent as of March 30, 2018. This analysis also includes a short summary of outputs and outcomes thus far related to participation of private sector companies, farms, advisers and student internships. When considering the wider question of the effectiveness of TA multipliers in support of target beneficiaries and/or any comparison with alternative forms of TA provision, this will not be possible to measure until

the AgMENTOR pilot services have been fully launched and therefore this recommendation is considered premature.

The Evaluation Team Response #6:

The evaluation team agrees with this comment in relation to the virtual part of the AgMENTOR approach, which has yet to be fully implemented. However, a preliminary analysis of the physical centers could be completed in the near future. At the end of evaluation process, AgMENTOR centers were in their 7th month of implementation (out of 12 months contracted) and according to FARMA II reports, these centers have served 157 beneficiaries. Having in mind that REZ began implementation (or piloting) in July 2017 and that REZ's contract expires soon, there will soon be sufficient information to perform the recommended financial analysis.

IP's Comment # 7:

Recommendation 6, 7 & 8: As recommended, FARMA II has prepared a draft Sustainability Plan which is included in Annex 2. This document also includes details of past and on-going activities which directly correspond to the recommendations made related to deployment of services and building stakeholder buy-in, many of which do not appear to have been fully taken into account during the evaluation process. The draft Sustainability Plan should be considered as a working document which is intended to be used to engage directly with USAID and the Swedish Embassy to ensure the optimal approach is agreed upon by all parties, prior to its finalization.

The Evaluation Team Response #7:

The evaluation team is of opinion that the draft Sustainability Plan is a good starting point for further direct discussion between the IP, USAID, and Sweden regarding the future direction of the AgMENTOR approach.

IP's Comment #8:

Recommendation 9: This recommendation does not appear to have taken account of the significant actions already undertaken by FARMA II to engage with public and private sector stakeholders in the design and prioritizing of its activities. This began with the organization of a FARMA II Caravan during Year 1 which was explicitly designed to engage with stakeholders regionally and to identify their main needs and priorities. This was followed in Year 2 with the organization of a series of sub-sector public-private advocacy events to identify priority action plans in each sub-sector. This initiative culminated with the organization of a larger-scale public-private dialogue event, organized in partnership with the FBiH MoA in October 2017 which engaged a wide range of public and private sector stakeholders, followed by an advisers event organized in November 2017 with the participation of both entity MoAs. These initiatives have ensured that FARMA II activity planning is guided by the demands of the private sector and their priorities and needs, as the primary drivers in the development of a competitive agri-food sector. However, we acknowledge the need to further strengthen or cooperation with key public institutions and private sector stakeholders in the next period. FARMA II team has already made considerable progress in reconnecting with key institutions in the last quarter which has already resulted in new requests for policy assistance in a number of trade related areas.

Evaluation Team Response #8:

The evaluation team recognizes FARMA II's efforts to engage and consult private and public sector stakeholders in different aspects of technical implementation of the Activity, starting from identification of sub-sectoral needs, design of sub-sectoral strategies, and design of the Rural Development Strategy. However, the main stakeholders from the public sector expressed their concern that many activities are implemented on an ad-hoc basis and without sufficient involvement of local stakeholders from the start of the design of these activities. Also, many public stakeholders and donors expressed concern about the absence of an adequate coordination mechanism that would provide them with a mechanism for participation in and ownership of activities implemented by FARMA II. Many public stakeholders and donors also stated that the coordination body established during the FARMA I Activity effectively served this purpose and was an excellent mechanism and good practice for cooperation. In project documents, both USAID and Sweden noted the necessity of a coordination body to be introduced as early as the first quarter of 2016. However, this request was not fulfilled by FARMA II.

According to the FARMA II's Contract No: AID-168-C-16-0001 *"The Contractor must include relevant local partner in all stages of the interventions. Involving local stakeholders in design will promote long-lasting relationship with market players"* (page 11).

IP's Comment #9:

Recommendation 10: FARMA II has no current plans to provide further support for the implementation of the SPRD. Any activities or resources to be provided in this area will require direct consultation and agreement between the USAID, Swedish Embassy and the European Union. However, any support should ensure that it is in line with already identified private sector related priorities.

The Evaluation Team Response #9:

Thank you for this input. This is noted by the evaluation team.

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

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