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Independent Office of Evaluation

PROJECT PERFORMANCE EVALUATION

Bosnia and Herzegovina

Rural Competitiveness Development Programme





Bosnia and Herzegovina
Rural Competitiveness Development Programme
Project Performance Evaluation

Photos of activities supported by the Rural Competitiveness Development Programme

Front cover: Produce on display in Kostajnica. The programme worked to enable smallholders to take advantage of fruit, vegetable, and non-timber forest product value chains.

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Foreword

This report presents the findings of the project performance evaluation of the Rural Competitiveness Development Programme (RCDP) in Bosnia and Herzegovina, undertaken by the Independent Office of Evaluation of IFAD (IOE). The programme was implemented between 2017 and 2022. This is the first evaluation undertaken by IOE in the Federal Republic of Bosnia and Herzegovina, and the report highlights some important lessons, which can inform future programming.

The programme was designed to contribute to sustainable rural poverty reduction in Bosnia and Herzegovina by enabling smallholder farmers to take advantage of the development of fruit, vegetable, non-timber forest products and other potential value chains. It presented an ambitious and innovative attempt at a public-private partnership model to effectively link non-commercial smallholder farmers to value chains and high-value markets, coupled with establishing governance structures for value chain development.

The programme successfully linked targeted smallholder farmers to high-value markets using contract farming, ensuring the market was assured before production. Farmers registered increased incomes and increased productivity. Even so, for the smaller farmers, there is a need to have non-farm income to sustain their households, as four months of farm income in a year was reported to be insufficient for a sustainable livelihood. The programme established geographical cluster stakeholder platforms (CSPs) to facilitate private-public engagement to strengthen overall agribusiness sector engagement. CSPs proved useful for reaching very poor, scattered regions with extension support and markets, but they are not ready to self-sustain as institutions without continued support from IFAD.

Developing the relevant business plan model and adapting it to the institutional context of the country took longer than anticipated, leading to significant procurement delays and implementation challenges. Monitoring and evaluation was inadequate to support the ambitions of such an innovative programme and therefore contributed less data for policy influence and value chain governance. IFAD's decision to reduce RCDP from a 10-year 2-cycle programme to a 5-year programme presented a challenge for the long-term nature of the design. As a result, the programme was unable to achieve long-term sustainable, functional value chain governance systems.

The evaluation report puts forward four recommendations: (i) IFAD should provide a clear long-term strategy for its support to rural poverty eradication in Bosnia and Herzegovina and envisage long-term engagement in loans, grants and non-lending activities; (ii) systems should be developed to track value chain performance and governance arrangements beyond a programme; (iii) the current Rural Enterprises and Agricultural Development Project should learn from RCDP to improve on monitoring and evaluation, and organizational capacity development for value chain governance; and (iv) lessons should be documented from the different institutional arrangements deployed by the country in order to provide input to policy decision-making on extension services, public-private partnerships, and transforming producer organizations into apex organizations.

I hope that the findings of this project performance evaluation will be instrumental to further improve the results of the collaboration between the Government of Bosnia and Herzegovina and IFAD.



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Director

Independent Office of Evaluation of IFAD

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Currency equivalent, weights and measures

Currency equivalent

Currency unit	=	Bosnia-Herzegovina Convertible Mark (BAM)
US\$1.0	=	BAM 1.566
EUR 1.0	=	BAM 1.956

Weights and measures

1 kilogram (kg)	=	1,000 grams
1,000 kg	=	2.204 pounds
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectares
1 hectare	=	2.47 acres

Abbreviations and acronyms

APCU	Agriculture Project Coordination Unit
BAM	Bosnian Convertible Mark
BDS	business development service
BFP	business facilitating partner
CSP	Cluster Stakeholder Platform
EU	European Union
GDP	gross domestic product
IA	impact assessment
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MTR	mid-term review
NTFP	non-timber forest product
PCR	project completion report
PCU	project coordination unit
PPE	project performance evaluation
PSC	Project Steering Committee
RB-COSOP	results-based country strategic opportunities programme
READP	Rural Enterprises and Agricultural Development Project
RCDP	Rural Competitiveness Development Programme
RLDP	Rural Livelihood Development Project
SERDA	Sarajevo Economic Region Development Agency
SME	small and medium enterprise
SSA	Stabilization and Association Agreement
UNDP	United Nations Development Programme

Map of the project area

Bosnia and Herzegovina

Rural Competitiveness Development Programme

Project performance evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 14-09-2023

Executive summary

1. **Background.** The Rural Competitiveness and Development Programme (RCDP) was implemented by the Government of Bosnia and Herzegovina in the two entities of Republika Srpska and the Federation of Bosnia and Herzegovina. The goal of RCDP was to contribute to sustainable rural poverty reduction in the country. The development objective was to enable smallholders to take advantage of the development of the fruit, vegetable, non-timber forest product and other potential subsectors. Approved on 12 December 2015, the programme became effective on 16 March 2017 and was completed on 31 March 2022. Initially designed for two almost identical five-year cycles, RCDP's second cycle could not be financed and the programme was reduced to five years.
2. RCDP design foresaw funding in two phases over two Performance-based Allocation System cycles: US\$12.25 million from the 2016-2018 cycle and US\$12.75 million from the 2019-2021 cycle (a US\$25 million loan in total). After Bosnia and Herzegovina was excluded from funding under IFAD 11, RCDP costs were updated by halving the programme's budget for the IFAD loan from US\$25 million to US\$12.25 million (phase one only). The overall programme cost was reduced from US\$61.45 million to US\$31.82 million. The budget was broken down as follows: (i) the IFAD loan at US\$12.31 million (39 per cent of the total cost) and IFAD grant at US\$0.52 million; (ii) the contribution of programme beneficiaries was estimated at US\$16.43 million; and (iii) the estimated Government contribution was US\$1.7 million (national) and US\$0.86 million (municipal).
3. **Evaluation scope and approach.** This was the first project performance evaluation (PPE) undertaken by the Independent Office of Evaluation of IFAD (IOE) in Bosnia and Herzegovina. The PPE was conducted in accordance with IFAD's 2021 Revised Evaluation Policy and the revised IFAD IOE Evaluation Manual (2022). The evaluation covered all components of the RCDP programme. It focused on key issues, including design changes such as the reduction of the programme design from 10 years to 5 years, and the revised approach to the provision of technical extension services and value chain targeting. The evaluation also considered the effects of the COVID-19 pandemic on project performance. The evaluation applied a mixed-methods approach, triangulating evidence to answer the evaluation questions, in line with the evaluation matrix. The data collection concluded with an in-country mission and a wrap-up meeting with key programme stakeholders at entity level.

Main findings

4. **RCDP successfully modelled a public, private and producer partnership for linking smallholder farmers to markets.** The programme was able to secure the active support and engagement of local authorities and private sector actors in identifying and mobilizing smallholder farmer groups. The design gave thorough attention to connecting farmers to market opportunities identified by business leaders, which ensured that targeted farmers had secured markets before production using contract farming.¹ This approach aimed for a win-win scenario between farmers and business leaders, whereby farmers benefited by gaining access to subsidized

¹ Business leaders are actors who are in close contact with agriculture markets, performing the marketing and selling function of a particular value chain. RCDP had three types of business leaders: (i) producer cooperatives with experience related to bulking production; (ii) private intermediaries (e.g. traders, lead farmers) linked to producer associations; and (iii) private agribusiness companies (collectors, processors, wholesale buyers and exporters) sourcing from organized or individual producers or collectors.

starter packages, technical support and high-value markets while business leaders benefited from predictable supply and volumes at required market standards.²

5. **Relevance of targeting.** The programme's targeting strategy was well-defined and participatory, involving relevant stakeholders in the process. It included geographic selection, wealth ranking, land holding size and productive assets. The programme targeted farmers who were excluded from the government subsidy programme, which requires a higher threshold of production and assets for eligibility than most rural smallholder farmers can meet. The targeting approach had quotas for women and youth in all business plans, coupled with an additional 10 per cent in cofinancing compared to male beneficiaries. This resulted in a total outreach of 37 per cent women (compared to a 30 per cent end target) and 22.8 per cent youth (against a target of 15 per cent).
6. **Effectiveness. The programme established cluster stakeholder platforms (CSPs) to facilitate private and public engagement to strengthen overall agribusiness sector engagement.**³ This was an innovative approach, which proved useful for reaching even very poor, scattered regions with extension support and markets. The effectiveness of CSPs established varied by region and the value chains involved. The evaluation found that they possess the necessary organizational capacity to validate and agree on key priority actions for cluster development, but lacked capacity in performance monitoring, promoting value chain integration and, in some cases, identifying organizational capacity constraints.
7. **The geographical cluster approach supported coordination with municipal and cantonal authorities but led to a higher-than-planned number of value chains** (12 instead of 4). With the increased number of value chains, the programme had more beneficiaries to reach than originally planned. Consequently, the proposed monetary value of the starter packages was lowered to accommodate the additional value chains and make cofinancing by smallholder farmers more affordable. This led to the programme reaching more than double its planned outreach targets.
8. **The innovative nature of the programme was not supported by effective monitoring and evaluation (M&E).** There was no systematic collection of evidence to track and monitor subsector value chain performance, which was envisaged as an important area for setting policy dialogue in the project design report. A comprehensive monitoring system assisted primarily by the business development services providers did not materialize. For most business leaders, this was not their area of strength and neither was it perceived as a value addition for them. The inadequacy of the M&E made it impossible to monitor the effectiveness of the targeting strategy, and the doubling of the outreach numbers made it even more complex.
9. **Developing the relevant business plan model and adapting it to the institutional context of each entity took longer than anticipated at design.** Clearance of the procurement procedures for setting up the starter package deployment system took almost 18 months for both entities, due to various implementation challenges. Over 40 per cent of the starter packages were delivered in the last year of the programme.

² A starter package was the total package of assistance beneficiaries received under the business leader-led business plan. It varied based on the business plan and value chain, but in general included items such as seeds, drip irrigation system, pesticides, fertilizers and relevant extension service. RCDP provided cofinancing of 40 per cent, municipalities 10 per cent, and beneficiaries 50 per cent, with an exception for women and youth, who received 50 per cent additional cofinancing.

³ CSPs are a form of multi-stakeholder platform promoted by IFAD as a tool for pro-poor value chain governance. Led by cluster managers, these platforms brought together various stakeholders, including small-scale farmers, agribusinesses, and local authorities. They promoted collaboration, facilitated knowledge exchange, and coordinated collective action among diverse agriculture stakeholders.

10. **Rural impact.** Net household income increased 30 per cent, but with notable differences between the two entities. This increase was mainly from higher revenues earned resulting from increased quantity, better quality, and secured produce markets without marketing intermediaries. In addition, marketing partners paid relatively higher margins to prevent side-selling by contracted beneficiaries. Total agricultural production increased by over 50 per cent and no farmer groups reported losses. Of the 101 producer organizations and cooperatives supported, 86 improved their productive and/or marketing assets. Even so, for the smaller farmers, there is a continued need to have non-farm income to sustain their households, as four months of farm income in a year was reported to be insufficient for a livelihood.
11. **RCDP supported the formation of new cooperatives and the strengthening of existing ones; nonetheless, the prospects of longer-term sustainability are mixed.** The mandatory participation in cooperatives helped reinforce the idea of working as organized groups, but did not always translate into active cooperative engagement or shared benefits. For many RCDP beneficiaries belonging to cooperatives that received collective assets, there was limited equitable share of benefits, as profits only accrued to founding members.
12. **There was varied evidence from the CSPs on their readiness to self-sustain as institutions** because the strength of each CSP is dependent on the perceived value and collective support of its stakeholders in the geographical area. CSPs require sufficient funding, at a minimum, to keep their cluster manager on the payroll and to finance their operational activities. Without further financial support from IFAD, the functionality of many of these platforms is unlikely to continue.
13. **IFAD's decision to reduce RCDP from a 10-year, 2-cycle programme to a 5-year one presented a challenge for the long-term nature of the programme design.** Given the complex governance structure, the programme was unable to achieve a sustainable, functional value chain governance system within a shortened lifespan. In addition, RCDP exit strategies were developed late in the shortened programme cycle, and the focus was limited to accomplishment of programme activities and weak on aspects of how business leader–smallholder farmer relationships would continue to operate beyond programme financing. Furthermore, time was insufficient to accomplish RCDP's ambitious goal of influencing policy-making processes and laws within the country's complex governance structure.
14. Among other notable changes to the design, the use of vouchers designed for the implementation of business development services was not implemented, due to the realization that they were not a recognized form of legal tender. Consequently, the development of a country-wide roster of consultants with expertise in a wide range of value chain development areas was also not implemented. These consultants were meant to make pre-vetted agriculture services accessible through the clusters. However, the original concept could have been preserved while eliminating the problematic payment aspect of it. The programme was also disrupted by the COVID-19 pandemic, requiring changes in communication and outreach mobilization. In Republika Srpska, RCDP responded to COVID-19 in a timely fashion with 9,000 emergency starter packages. This was assessed as highly needed and adequate to beneficiaries' food security needs during that period.

Conclusions

15. **RCDP presented a public–private partnership model that effectively linked smallholder farmers to value chains and high-value markets.** The programme provided starter packages to beneficiaries following the business leaders' business plans, which were a form of contract farming. Key success factors in this model included: (i) a clear geographical strategy in design, which was followed through during implementation (with adaptation); (ii) multi-stakeholder value chain governance institutions set up to build trust and transparency; and (iii) local government involvement.

16. **Anecdotal evidence suggests that many farmers continue to benefit from the business leader–farmer contract farming relationship, even post-programme support.** Although a significant number of the contracted farmers reportedly continue to benefit from being connected to the contract farming network by virtue of being cooperative members, an accurate estimation of the proportion of such farmers and the extent of the benefits enjoyed from the business leader network could not be provided.
17. **The establishment of CSPs was a game changer in the effort to formally organize stakeholders** as part of creating an enabling environment for inclusive value chain and subsector development. The CSPs facilitated dialogue, networking and advocacy, and strengthened business leader negotiation with municipalities and input suppliers. However, their levels of organizational capacity, support and visioning are uneven, and most are not yet sustainable without IFAD- or entity- or local government-financed support.
18. **The M&E system did not support the innovative ambitions of the programme and therefore contributed less data for policy influence and value chain governance.** It was inadequate for evidence-based business decision-making and knowledge accumulation in value chain and subsector development. Disaggregated information on programme effectiveness on different target groups and programme impact on different beneficiaries' profile groups was also not captured by M&E.
19. **Entities pursued different pathways in the implementation of extension services and each had its merits.** Republika Srpska actively incorporated private sector engagement and public extension services. This was still not able to ensure service continuity and outreach after the programme, as it was constrained by the lack of well-organized, readily available, high-quality private and public advisory services. In the Federation of Bosnia and Herzegovina, there was a high dependency on private advisory services sourced by business leaders, which focused mainly on their primary role to ensure that farmers were growing the right quality and quantity per contract.
20. **The solid results from the RCDP experience that IFAD has accumulated create prospects for support to the Government to use lending resources for achieving closer alignment to the European Union's Common Agricultural Policy.** EU accession candidacy status, obtained in 2022, grants Bosnia and Herzegovina access to funding that can improve its agriculture and rural development aims. Therefore, IFAD, a long-term partner in agriculture and rural development, can add value to this process with its technical expertise and experience in the country.

Recommendations

21. **Recommendation 1. IFAD should provide a clear long-term strategy to ensure continuity of its support to rural poverty eradication in upper-middle-income countries, such as Bosnia and Herzegovina.** The strategy should clarify what IFAD's continued value addition will be and the innovative features it can bring in that context. It should also envisage long-term engagement in loans, grants and non-lending activities. This would make transition predictable and gradual. As part of this long-term strategy, IFAD should re-assess its engagement in Bosnia and Herzegovina to include support to dialogue and participation in helping the country reach EU accession alignment to the Common Agricultural Policy.
22. **Recommendation 2. The Government should develop systems to track value chain performance and governance arrangements of established multi-stakeholder platforms (CSP, starter packages and subsector platforms) beyond the programme.** While RCDP helped get this started, systems need to be established to hold value chain governance structures accountable and transparent in their performance beyond a programme. Longitudinal studies can be carried out

regardless of source of funding, focusing on the performance of these institutions so as to continuously improve and be sustainable.

23. **Recommendation 3. The follow-up Rural Enterprises and Agricultural Development Project should learn from RCDP lessons** in aspects such as: (i) M&E (unified definitions, tools and measurement approaches between entities, robust data collection, management, and analysis to take advantage of potential value of data on value chain and subsector performance); and (ii) organizational capacity development plans, which should be elaborated and included in cluster development strategy documents for each CSP.
24. **Recommendation 4. IFAD and the Government should ensure that important lessons from the different institutional arrangements deployed by the two entities are documented in order to provide input into policy decision-making.** This would document learning on: (i) institutional arrangements for extension services support; (ii) types of business leaders the programme employed and the strengths and challenges that came with the chosen profiles; and (iii) the steps taken to transform RCDP-supported small producer organizations to become apex organizations or registered small or medium enterprises and the subsequent results.

IFAD Management's response⁴

1. Management welcomes the overall evaluation findings of the Rural Competitiveness Development Programme (RCDP) project performance evaluation (PPE) conducted by the Independent Office of Evaluation of IFAD (IOE).
 2. Management noted the IOE assessment that **RCDP successfully modelled a public, private and producer partnership to link small holder farmers to markets** and was able to secure the active support and engagement of local authorities and private sector actors in the identification and mobilization of smallholder farmer groups. Furthermore, IOE also assessed the programme's targeting strategy as well-defined and participatory, involving relevant stakeholders in the process, and the programme targeted farmers who were excluded from the government subsidy programme, which requires a higher threshold of production and assets for eligibility than most rural small holder farmers can meet.
 3. Management would like to emphasize the **programme effectiveness through the establishment of cluster stakeholder platforms (CSPs)** to facilitate private and public engagement to strengthen overall agri-business sector engagement. This was an innovative approach which proved useful for reaching even very poor, scattered regions with extension support and markets. Considering this, Management believes that the overall performance rating could be satisfactory.
 4. Management appreciates the responses to the previous round of Management comments on the draft PPE and the adjustments made for the final version. The adjustments made for the final version are particularly appreciated, especially the rephrasing on the first recommendation. This pertains to the role that IFAD can undertake in assisting the country's dialogue and process towards EU accession. The complexities of this process involve delicate policy dialogues between the entities of the Federation of Bosnia and Herzegovina and Republika Srpska, focusing on the development of national systems rather than entity-level systems to support the agriculture sector. It's noteworthy that IFAD does not possess a distinct comparative advantage in this specific aspect.
 5. Management agrees with the PPE recommendations and assures that necessary steps will be taken to address them in light of the new country strategy and future intervention. In this regard, Management would like to acknowledge the following:
 - **Recommendation 1: IFAD should provide a clear long-term strategy to ensure continuity of its support to rural poverty reduction in upper-middle-income countries (UMICs), such as Bosnia and Herzegovina.** The strategy should clarify what IFAD's continued value addition will be and the innovative features it can bring in that context. It should also envisage long term engagement in loans, grants and non-lending activities. This would make transition predictable and gradual. As part of this long-term strategy, IFAD should re-assess its engagement in Bosnia and Herzegovina to include support to dialogue and participation in helping the country reach EU accession alignment to the Common Agriculture Policy (CAP).
- Partially agreed.** Management agrees that IFAD's value addition and its catalytic role in ensuring support to rural poverty reduction in a UMIC country such as Bosnia and Herzegovina should be well articulated in a long-term engagement strategy with focus on innovations brought by RCDP that would help the country reach EU accession alignment to the CAP. Management's notes also that the process for EU accession entails delicate policy dialogues between the entities of the Federation of Bosnia and Herzegovina and Republika Srpska, focusing on the development of national systems rather than entity-level

⁴ The Programme Management Department sent the final Management's response to the Independent Office of Evaluation of IFAD on 7 February 2024.

systems to support the agriculture sector. IFAD does not have a distinct comparative advantage in supporting the country in such process. Nonetheless, Management agrees that IFAD should play a critical role to increase the competitiveness and profitability of rural smallholders and in supporting their sustainable integration into EU agriculture markets under the aegis of the Common Agriculture Policy (CAP) framework.

- **Recommendation 2. Government should develop systems to track value chain performance and governance arrangements of established multi-stakeholder platforms (CSPs and SP and sub sector platforms) beyond a programme.** While RCDP helped get this started, systems need to be established to hold value chain governance structures accountable and transparent in their performance beyond a programme. Longitudinal studies can be carried out regardless of source of funding focusing on the performance of these institutions so as to continuously sustain and improve.

Agreed. Management agrees that the support to multi-stakeholder platforms needs to be anchored to medium-to-long term institutional development of territorial units in support to the development of the agriculture sector. IFAD supported investments – and specifically the READP additional financing – will support institutional sustainability by further developing the cluster platforms, envisioning them as local action groups within the EU membership framework. The investments will start supporting the cluster platforms at the earliest providing clarity of vision, technical and effective financial support and diversifying the cluster platforms functions beyond value chain multi-stakeholder platforms, such as becoming hubs for youth and women engagement, providing technical assistance for accessing EU projects, and serving as regional-level platforms for promoting policy dialogue in relevant areas.

- **Recommendation 3: The READP programme should learn from RCDP lessons** in aspects such as programme (a) M&E; Ensure unified definitions, tools and measurement approaches between entities, robust data collection, management, and analysis to take advantage of potential value of data on value chain and sub-sector performance and (b); Organizational capacity development plans should be elaborated and included into cluster development strategy documents for each CSP.

Agreed. Management acknowledges the absence of proper M&E system to collect, analyse and consolidate data from the two entities for results-based decision-making as well as for generating and disseminating knowledge, made it more challenging to foster participatory approach throughout the M&E process both at the Project and national level considering the country context, let alone involving private and public actors including private sector. Management would consider this during the design of the additional financing for READP.

- **Recommendation 4: IFAD and the Government should ensure that important lessons from the different institutional arrangements deployed by the two entities are documented in order to provide input into policy decision making.** This would document learning on: (a) institutional arrangements for extension services support; (b) types of business leaders the programme employed, the strengths and challenges that came with the chosen profiles; and (c) the steps taken to transform RCDP supported small producer organizations to become apex organizations or registered small-medium enterprises and the subsequent results.

Agreed. Management reiterates the need to improve the M&E system in both entities and to use the knowledge generated by the implementation of the IFAD country programme for sharing information, generating country level exchanges of the institutional

arrangements deployed by the two entities in order to provide input into policy decision making. In addition, partnership with the two Unions of Cooperatives will be provided so as to promote sustainable development of small producers' organizations.

Bosnia and Herzegovina Rural Competitiveness Development Programme Project Performance Evaluation

I. Country and project background

A. Introduction

1. In line with the IFAD Evaluation Policy, the Independent Office of Evaluation of IFAD (IOE) undertook a project performance evaluation (PPE) of the IFAD-financed Rural Competitiveness Development Programme (RCDP) in Bosnia and Herzegovina. This PPE was approved at the 137th session of the Executive Board in December 2022.¹ This is the first IFAD programme to be evaluated by IOE in Bosnia and Herzegovina.

B. Country background

2. **Bosnia and Herzegovina is an upper-middle-income country** with a population of 3.5 million. The Human Development Index, which measures average levels of income, health and education, was at 0.78 for Bosnia and Herzegovina in 2021, ranking it 74th among the countries with a high level of human development; in 2015, the country was at 0.76 and ranked 81st.² However, it is still below the average for the Europe and Central Asia region. Poverty remains a concern, particularly in rural areas. The poverty headcount ratio showed 17 per cent of the population living on less than 60 per cent of median national income, a lower value than in many countries of Central and Eastern Europe.³
3. **Gross domestic product (GDP) average growth rate was 2.8 per cent in the period 2013-2018.** During the same period, GDP per capita grew from US\$5,025 in 2013 to US\$5,936 by 2018. The economy grew at the same 2.8 per cent rate in 2019 but declined by 3.2 per cent in 2020, due to the effects of COVID-19 on economic activity, which was followed by a recovery at 7.7 per cent rate in 2021. However, this is still too low for noticeable improvement in the living conditions of many citizens. With per capita GDP at some 32 per cent of the European Union (EU) average, the pace of Bosnia and Herzegovina's convergence with the EU remains among the slowest in the region.⁴ The overall business environment in the country remains weak and among the least competitive economies in Southeast Europe.⁵ Bosnia and Herzegovina's ratio of exports to GDP amounted to 44.9 per cent in 2021 (compared to 35.5 per cent in 2017, when RCDP started). The EU is Bosnia and Herzegovina's biggest trading partner. In 2020, 60.6 per cent of the country's imports originated from the EU, while 72.3 per cent of its exports went to the EU.
4. Agriculture is an important sector of the economy of Bosnia and Herzegovina in terms of its contribution to employment and socio-economic development of the rural poor. The sector's share of GDP has been in the range of 5.6-5.7 per cent from 2017 to 2021, while it accounted for 18 per cent of total employment. The country remains a net food importer. The sectors with the best available and productive natural resources are fruits and vegetables, livestock and poultry. The largest crop is corn, followed by wheat and potatoes. At the same time, Bosnia and Herzegovina depends on grain imports and annually imports about 350,000 metric tons of wheat and 200,000 metric tons of corn. The main suppliers of wheat and corn to Bosnia and Herzegovina are Hungary, Serbia and Croatia. Agricultural products only represent approximately 6 per cent of exports, but account for 15 per cent of total imports.

¹ Minutes of the 137th session of the IFAD Executive Board, December 2022.

² Human Development Indices and Indicators, 2021 Statistical Update, United Nations Development Programme.

³ Household Budget Survey, 2015, Bosnia and Herzegovina Agency of Statistics.

⁴ Eurostat 2021 and Economic Reform Programme of Bosnia and Herzegovina (2019-2021), European Commission Assessment.

⁵ The Competitive Industrial Performance Index by the United Nations Industrial Development Organization (2020) ranks Bosnia and Herzegovina 79th on the global scale of industrial competitiveness.

The primary imported food products are grains and grain products, beverages (alcoholic and non-alcoholic), and meat and dairy products.

5. **The unemployment rate had fallen** to a historic low of 16.2 per cent in 2020, indicating an ongoing high level of unemployment.⁶ Due to the ubiquity of the informal character of the labour market, migration, and discouraged workers, only about one-third of the working-age population is accounted as employed in Bosnia and Herzegovina. Participation of women in the labour market remains low (31.7 per cent) compared to men (57 per cent), with the gap being wider in the Federation of Bosnia and Herzegovina (30 percentage points).⁷ The country also has a relatively low level of wages as a reflection of its overall weak competitive position.
6. Following the Dayton Peace Agreement that saw the end to the 1995 conflict, **Bosnia and Herzegovina set up a multi-layered governance system which consists of two entities**, Republika Srpska and the Federation of Bosnia and Herzegovina, and the independent district of Brcko. The country has a total of 143 municipalities, 64 in Republika Srpska and 79 in the Federation, spread across its 10 cantons. Government ministries responsible for agriculture, forestry and water development sit at entity level, not at state level. The complexity of Bosnia and Herzegovina's governance structure, multifaceted coordination and political consensus challenge public policies and contribute to slow reforms. With the expiration of the Reform Agenda 2015-2018, the new one was adopted by the Council of Ministers in January 2020. However, implementation of the Reform Agenda has been delayed.
7. Bosnia and Herzegovina had been a potential candidate country for EU accession since 2003. The Stabilization and Association Agreement with the EU was signed in 2008 and entered into force in June 2015. In February 2016, Bosnia and Herzegovina submitted its formal application for EU membership, and in August 2016 the country adopted the Decision on the System of Coordination in the Process of European Integration of Bosnia and Herzegovina. In May 2019, the European Commission issued its Opinion on Bosnia and Herzegovina's application for membership of the EU, which represents a crucial milestone in EU-Bosnia and Herzegovina relations. The European Commission identified several areas for action before opening negotiations for accession, including the need to orient the agriculture sector to the EU's Common Agricultural Policy and harmonize rural development programmes across Bosnia and Herzegovina.⁸
8. **In 2022, Bosnia and Herzegovina was formally given the status of EU candidate, six years after its application.** With EU candidate status comes pre-accession requirements and reforms in various sectors, including the economic, judiciary, political, rural and agricultural development. The EU report notes that Bosnia and Herzegovina has achieved little progress on its reform requirements in recent years, including the set of 14 priorities defined in the European Commission's 2019 opinion, which is part of the prerequisites for Bosnia and Herzegovina's candidacy status.⁹ Although Bosnia and Herzegovina was still in the early stages of accession preparation in the area of agriculture (during the life cycle of RCDP), the 2018-2021 strategic plan for rural development was reported by the EU as being unevenly implemented. In particular, there have been no significant steps taken in the adoption of a post-2021 strategic plan and state-level laws on organic production. With EU candidate status attained, Bosnia and Herzegovina now has the opportunity to tap into the EU's Instrument for Pre-accession Assistance for Rural Development for financial and technical help, with the aim to make the agriculture sector and rural areas more sustainable and competitive.¹⁰

⁶ Economically inactive people are those who are not in paid work, but are not looking for a job or available to start work; low employment refers to a situation where an individual is unable to find a job in their chosen field. Consequently, they work in a role that is not commensurate with their skill set and, in most cases, pays lower than the customary wage.

⁷ Labour Force Survey, Bosnia and Herzegovina Agency for Statistics, 2018.

⁸ European Commission 2020 communication on EU Enlargement Policy.

⁹ The 2021 European Commission report on Bosnia and Herzegovina.

¹⁰ European Commission 2021 Communication on Overview of EU pre-accession assistance for rural development.

C. Policies on rural development and agricultural growth

9. At the time of programme design, both Republika Srpska and the Federation of Bosnia and Herzegovina had development strategies with the goal to improve food security and incomes through support to non-commercial and commercial farmers and on- and off-farm enterprises. These strategies were reflected in IFAD's results-based country strategic opportunities programme (RB-COSOP) (2013) for Bosnia and Herzegovina.¹¹
10. The strategies of the Federation of Bosnia and Herzegovina and Republika Srpska are constructed around four similar priorities: (i) improving competitiveness of the agriculture and food sectors; (ii) institutional development and improvement of legal frameworks in order to stimulate agricultural and rural development; (iii) sustainable use of natural resources; and (iv) improvement and diversification of rural livelihoods.

D. Project background

11. The Rural Competitiveness and Development Programme (RCDP) was approved by the IFAD Executive Board on 12 December 2015 and declared effective on 16 March 2017 with the first disbursement of IFAD financing on 3 November 2017. The revised programme completion date was 31 March 2022, although originally designed to complete in 2027.
12. **Programme goal and objectives.** The goal of RCDP was to contribute to sustainable rural poverty reduction in Bosnia and Herzegovina. The project's development objective was to enable smallholders to take advantage of the development of the fruit, vegetable, non-timber forest product (NTFP) and other potential subsectors.
13. **Programme expected outcomes.** The programme's expected outcomes were: (i) an improved policy and institutional environment that attracts smallholders and investors to the selected subsectors; and (ii) sustainable inclusion of poor smallholders and vulnerable groups in selected subsectors.
14. **Programme components.** RCDP comprised two components besides project management and monitoring and evaluation (M&E): (i) enabling environment for inclusive subsector development; and (ii) sustainable inclusion of smallholders in successful value chains.
15. **Component 1. Enabling environment for inclusive subsector development.** This component aimed to address: (i) subsector governance by all concerned private and public stakeholders through consultations and joint strategic planning of interventions; (ii) adequate supply of specialized services for the selected subsectors; (iii) an enabling policy framework to tackle the related trade, policy and institutional issues and promote local economic development; (iv) subsector performance monitoring and accountability; and (v) strengthening of relevant institutions. The expected results were defined as: (i) stakeholders' platforms at cluster and subsector levels improve value chain coordination and subsector governance and influence public policies and investments with a view to achieving long-term subsector competitiveness; and (ii) appropriate technical and business development services are available at the local and entity levels.
16. **Component 2. Sustainable inclusion of smallholders in successful value chains.** This component, which contained the bulk of programme funding, aimed to: (i) improve the livelihoods of smallholder producers and poor collectors through provision of starter packages; (ii) consolidate farmer organizations and strengthen their capacity to identify business opportunities through trainings; and

¹¹ Bosnia and Herzegovina's Results-Based Country Strategic Opportunities Programme (RB-COSOP) was approved in December 2013 and adopted for six years, from 2013-2018. It covered two IFAD investment cycles, 2013-2015 and 2016-2018. In 2018, the COSOP Results Review determined that the COSOP's strategic objectives were still relevant in contributing to the national development priorities and extended the COSOP for three more years, from 2019 to 2021. A Country Strategy Note was prepared/approved in 2022 in place of a new COSOP.

(iii) strengthen the voice of farmer organizations to enable them to play an active role in multi-stakeholder coordination platforms, both at the cluster and subsector levels.¹² RCDP was to take advantage of existing value chain dynamics where the private sector is actively engaging with smallholders either through organizations or individually.¹³ The following results were foreseen: (i) inclusive business proposals are developed and implemented; and (ii) very poor and poor farmers, women and youth are successfully integrated into competitive and profitable value chains.

17. Under component 2, the Agricultural Project Coordinating Unit (APCU) in Republika Srpska and the Project Coordinating Unit (PCU) in the Federation of Bosnia and Herzegovina published a call for interested business leaders to respond to the call with a business plan/proposal detailing what they would undertake in the programme. Once selected and trained, the business leaders published a call for interested smallholder farmers to apply to be beneficiaries under their business plan. Applicants meeting the selection/targeting criteria of the programme were chosen. Using a contract farming model, the selected beneficiaries received starter packages, including extension support, and the produce was sold to the business leader (with some exceptions). Starter packages were cofinanced 50 per cent by beneficiaries, 40 per cent by the programme and 10 per cent by the local government. To encourage the participation of women and youth in the programme, RCDP increased its cofinancing to 50 per cent for this category of beneficiaries.
18. **Programme area.** RCDP was national in scope, with each self-governing entity having its own territory and outreach targets, budget and reporting, while IFAD managed the consolidation at state level. The programme was implemented through value chain clusters. Twelve clusters were identified, and the geographical regions of these clusters constituted the programme area for its first cycle.¹⁴ Given the focus on the most vulnerable groups (poor farmers, women and youth), the programme was expected to foster the inclusion of poor municipalities within the clusters. These municipalities were selected to be close to the areas where the selected value chains would be active or where major "poverty pockets" were present. Clusters were intended to be identified based on common socio-economic and institutional potential.
19. **Target group and targeting approach.** Particular emphasis was placed on the inclusion of poor farmers, women and youth as direct beneficiaries by fostering the sustainable growth of selected subsectors for their poverty reduction potential. The targeting strategy was expected to respond to challenges that targeted beneficiaries faced with specific enabling measures. In addition, the programme focused on very poor, poor and borderline poor people and non-commercial farmers who were not yet, or insufficiently, linked to markets by supporting their insertion into profitable supply chains and enabling them to become competitive commercial farmers.
20. The programme was expected to directly target 16,000 beneficiaries mainly through the implementation of about 160 business proposals. Over the programme lifetime, 3,150 jobs were expected to be created at post-harvest level (minimum 20 per cent of jobs created for women). In addition, an estimated minimum of 5,000 people were expected to indirectly benefit from successful value chains and private agribusiness investments, improved subsector governance and upgraded collective marketing infrastructure.
21. **Programme financing.** The design report estimated the total cost of RCDP to be US\$31.82 million, of which: (i) the IFAD loan was US\$12.31 million (39 per cent of the total cost) and the IFAD grant was US\$0.52 million; (ii) contribution of programme beneficiaries was estimated at US\$16.43 million; and (iii) the

¹² In terms of marketing channels and new products.

¹³ Agricultural input dealers, collectors, processors, traders, wholesalers and retailers.

¹⁴ In the Federation of Bosnia and Herzegovina: North-West (7 municipalities); Central-1 (13); Central-2(15); North-East and Central-1 (12); North-East and Central-2 (14); South and South-West (11); Central (13); In Republika Srpska: East (13); North West (16); NW and Central-1 (9); NW and Central-2 (13); North East and South East (13).

Government estimated contribution was US\$1.70 million (national) and US\$0.86 million (municipal) (see table 1).

Table 1

Programme financing by financier (US\$'000)

	Appraisal	% of appraisal costs	Actual	% of actual costs	% disbursed
IFAD loan	12 314	39%	11 412	43%	93%
IFAD grant	520	2%	501	2%	96%
National Government	1 694	5%	2 061	8%	122%
Municipalities	865	3%	1 213	5%	140%
Beneficiaries (Private sector)	16 426	52%	11 057	42%	67%
Total	31 820	100%	26 243	100%	82%

Source: IFAD Project Completion Report.

22. Table 2 outlines the relative weight of each component in relation to the total financing of the programme; as can be seen, component 2 (inclusion of smallholders in successful value chains) absorbed 89 per cent of total funding, followed by component 1 (enabling environment for inclusive subsector development) at 4 per cent of spending. Financial data for actual disbursements (at completion) under each programme component is presented in table 2 below.

Table 2

Programme financing by component (US\$'000)

Component	Appraisal	% of appraisal costs	Actual*	% of actual costs	% disbursed
1. Enabling environment for inclusive subsector development	1 333	4%	1 113	4%	83%
2. Inclusion of smallholders in successful value chains	28 819	91%	23 487	89%	81%
3. Project management	1 668	5%	1 643	6%	99%
Total	31 820	100%	26 243	100%	

Source: IFAD Operational Results Management System.

23. **Implementation arrangements.** RCDP was built on the arrangements for project coordination and management already in place from previous IFAD-supported projects in Bosnia and Herzegovina. The lead programme agencies were the Federal Ministry of Agriculture, Water Management and Forestry and the Ministry of Agriculture, Forestry and Water Management of Republika Srpska. The key programme implementing partners included the State Ministry of Finance and Treasury, which held the overall responsibility of RCDP, in coordination with the entity ministries of finance in the Federation of Bosnia and Herzegovina and in Republika Srpska, which were responsible for externally funded projects. A project steering committee (PSC) was set up in each entity and entrusted to provide overall guidance to the programme at entity level. The Agriculture Project Coordination Unit (APCU) in Republika Srpska and Project Coordination Unit (PCU) in the Federation of

Bosnia and Herzegovina were responsible for coordination and liaison with municipalities, clusters and implementing partners, overall programme management and monitoring, organizing start-up and annual workshops, preparation of annual workplans and budgets, and fiduciary management.¹⁵ One Business Facilitating Partner (BFP) per entity (the Economic Region Development Agency (SERDA) in the Federation of Bosnia and Herzegovina and ArgoNet in Republika Srpska) was recruited on a competitive basis to mobilize the stakeholder platforms and support the development and implementation of the business plan approach.

24. **Significant changes during programme implementation.** The main design changes that occurred during implementation are described in the paragraphs that follow.
25. **(1) Voucher scheme:** RCDP design foresaw the provision of consulting services on the basis of the voucher model. The APCU/PCU were to establish a voucher scheme to strengthen the capacity and provide the required technical advisory and business development services at the subsector level. It was to be designed so that business plan partners would receive the entitlements (vouchers) to obtain services from a wide range of pre-qualified service providers and pay by vouchers received from the APCU/PCU. However, payment by vouchers was not recognized as feasible, according to the national monetary and legal system; therefore, the idea of paying consultants by vouchers was abandoned during implementation.
26. **(2) Cluster stakeholder platforms (CSPs):** According to the original programme design, RCDP was to be implemented through commodity-based, value chain-specific, cluster stakeholders' platforms. Instead, clusters were formed based on territorial boundaries, at regional level, covering several municipalities and all the existing value chains in the specific region.
27. **(3) Additional agricultural value chains:** Upon the request of both project coordinating units, the Mid-Term Review MTR mission proposed the inclusion of additional agricultural value chains in the starter package support, beyond the three main ones identified at design (fruits, vegetables and NTFPs). These included, and were not to be limited to, dairy (on a pilot basis), beekeeping, cereals and oil seeds. This change was endorsed by IFAD in 2020 on the basis of the MTR report and was justified by adapting to meet the business potential for target beneficiaries in the programme area.
28. **(4) COVID-19 starter packages:** In a letter dated 23 March 2020, the Government of Republika Srpska, requested IFAD to include an emergency response to projected adverse effects of COVID-19 on the livelihoods of the rural poor, not covered by the original design
29. **(5) One-cycle vs. two-cycle programme:** The programme was initially designed for two almost identical five-year cycles. However, with the reduction in the number of borrowing countries within the IFAD 11 funding cycle as a result of the commitment to "optimize resources" in favour of the poorest countries, Bosnia and Herzegovina was dropped from the borrowers' pipeline, meaning that the RCDP second cycle could not be financed.¹⁶
30. **Linkages with other IFAD projects.** The design of RCDP incorporated lessons learned from past projects and was linked with ongoing IFAD-funded projects in Bosnia and Herzegovina, in particular: (i) the Rural Enterprise Enhancement Project, closed in 2013, and the Rural Livelihood Development Project; (ii) local development interventions led by the United States Agency for International Development, the Swedish International Development Agency, Caritas Switzerland and the United Nations Development Programme; and (iii) a Pro-Poor Value Chain Development

¹⁵ The APCU in Republika Srpska is based in Banja Luka; the PCU in the Federation of Bosnia and Herzegovina sits in Sarajevo.

¹⁶ The project design envisaged a 10-year two cycle programme however, the legal and financial commitment was only for the first 5-year cycle.

pilot project, financed by the Rural Livelihood Development Project and designed and implemented by Oxfam Italy. The pilot started in August 2014, principally to help prepare the design of RCDP.

II. Evaluation objectives, methodology and process

31. The objectives of the evaluation were to: (i) provide an independent assessment of the overall results of the programme; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Bosnia and Herzegovina; and (iii) identify issues and complexities that can inform ongoing and future evaluative work related to the comparative advantage that IFAD could offer in upper-middle-income country contexts.
32. The PPE covered the entire implementation period of the RDCP from March 2017 to March 2022.
33. The PPE was undertaken in accordance with IFAD's Evaluation Policy (2021) and followed IFAD's Evaluation Manual (2022). Accordingly, it adopted a set of internationally recognized evaluation criteria and a six-point rating scale (annexes II and III) to assess the performance of the programme.
34. The evaluation applied a mixed-methods approach to triangulate evidence to answer the evaluation questions in line with the evaluation matrix and key issues for the evaluation based on the reconstructed theory of change (see annex VII). Questions were asked following the evaluation framework (see annex IV), using remote interviews with key programme stakeholders and development partners, plus field-level data collection.
35. A review of available documents was conducted to obtain secondary data; the RCDP impact study analysis and M&E data were used to the extent possible. The PPE team carried out extensive in-country data collection and stakeholder, beneficiary interviews and direct field observations. The in-country field mission took place from 5-18 March 2023 and conducted 19 focus group discussions with beneficiaries, business leaders, cluster members and municipality officials, across 14 municipalities (6 in the Federation of Bosnia and Herzegovina and 8 in Republika Srpska). The evaluation used a stratified random sampling approach based on RCDP's value chain selection, geographical coverage and numbers of beneficiaries, and presence of visits by other missions. Information from these field visits was triangulated through 14 key informant interviews with RCDP service providers, government officials, and other development actors in the rural development sector. Within the sampled sites, the PPE covered an array of programme stakeholders, including business leaders, mayors, municipality officials, cluster managers, leaders of cooperatives and producer associations. The mission itinerary and list of people met are annexed to this report (see annexes VIII and V, respectively).
36. A wrap-up meeting with each entity was held on 17 March 2023 with representatives from IFAD, the Government of Bosnia and Herzegovina and PCU/APCU staff stakeholders to validate findings, share emerging messages and inform the stakeholders of the next steps in the evaluation process.
37. The evaluation faced some challenges. For example, there were some gaps in data availability of some programme aspects, such as value chain performance, through the established subsector platforms. There were also issues with the aggregation of some logframe indicators due to differing methodologies used by each entity. This issue also applied to studies, such as the baseline, and to a small extent the impact assessment conducted at endline. Although the programme was united in design (approach and objectives), its implementation, adaptation, reporting, budgeting and reporting were separately carried out by each entity. Hence, in reality, RCDP was implemented as two separate programmes in different territories, with IFAD aggregating the reports submitted into one country product.

III. Main evaluation findings

A. Programme performance on evaluation criteria

Relevance

Alignment with national and IFAD policies

38. **RCDP was aligned with the national strategy document for rural development.**¹⁷ The programme's development objective was in line with strategic goals related to agriculture and rural development and poverty eradication described in the country's strategy and policy documents at entity levels.¹⁸ Its development objective of contributing to rural poverty reduction in selected subsectors of the Bosnia and Herzegovina economy was not directly linked to the goals set in those strategy documents. The country does not have a unified set of agricultural and rural development policies at the national level, and its agricultural strategies are set and implemented at entity level, not the national level. This fact significantly limits possibilities to effectively engage with the EU accession agenda, in particular the Common Agricultural Policy.¹⁹ There is no country-level comprehensive poverty reduction strategy, but instead the elements of this strategy are fragmentedly covered in several strategic and mostly sector-oriented documents. Nevertheless, the value chain development-based RCDP design features were appropriate to respond to the challenges and opportunities for poverty reduction in the country described in the six national-level strategic objectives.²⁰
39. **The RCDP design was aligned with IFAD priorities** established by the IFAD Strategic Framework 2011-2015, and the overall goal of the 2013 Results-based Country Strategic Opportunities Programme (RB-COSOP 2013). These aim at enabling poor rural people to improve their food security and increase their incomes through support to non-commercial and commercial farmers, and to on- and off-farm enterprises. RCDP was proactive toward the mainstreaming of gender, youth, and environment and climate change. The design of RCDP complied with other relevant IFAD policies, including the Rural Enterprise Policy, Private Sector Development and Partnership Strategy, Rural Finance Policy, Gender Policy, Youth Policy Brief, Targeting Strategy, and Environmental and Social Review Policy.

Quality/relevance of design

40. **The RCDP design was aligned with beneficiary needs** of poor, non-commercial farmers who were not sufficiently incorporated into the supply systems that could link them to the market and support them to become competitive commercial farmers. The main challenges faced by those groups were exclusion from the organized markets, low productivity, and vulnerability of their agricultural production to climate change. The programme targeted farmers who needed production support but were excluded from government subsidy programmes, which require a higher threshold of production and assets that most rural smallholder farmers do not meet. Multi-stakeholder platforms (i.e. CSPs) were established to facilitate private and public engagement to strengthen overall agribusiness sector engagement; and

¹⁷ The Strategic Plan for Rural Development of Bosnia and Herzegovina 2018-2021.

¹⁸ For Republika Srpska: the Strategic Plan for Development of Agriculture and Rural Areas of Republika Srpska 2016-2020 and the Strategy for Development of Agriculture and Rural Areas of Republika Srpska 2021-2027; and for the Federation of Bosnia and Herzegovina: the Medium-Term Strategy for the Development of the Agricultural Sector for the period 2015-2019 and the Strategic Plan for Rural Development of the Federation of Bosnia and Herzegovina 2015-2019 (extended until the end of 2021).

¹⁹ This includes improving institutional systems and capacities and harmonization of the legal framework in agriculture and rural development, at all governmental levels, with the aim of gradual approximation to the EU Common Agricultural Policy.

²⁰ These objectives were: (i) macro-economic integration; (ii) competitiveness; (iii) employment; (iv) sustainable development; (v) European integration; and (vi) social inclusion.

cooperatives and producer associations were targeted with capacity-building initiatives, including material support in the form of processing equipment.²¹

41. **The design gave thorough attention to connecting farmers to markets** using a business opportunity–business leader approach, to ensure that targeted farmers had secured markets before production through a contract-farming approach between the farmer and business leader.²² This approach also aimed for a win-win scenario between farmers and business leaders whereby farmers benefited from: (i) access to assured higher-value markets; (ii) access to starter packages, including technical extension services; and (iii) incorporation into cooperatives (if not previously involved). Business leaders benefited from: (i) assured production volumes that enable predictable supply; (ii) production at required standards assured through extension support; and (iii) subsidized engagement with the smallholder farmer, thereby reducing the costs of bringing new producers on board. However, the small producers did not significantly gain negotiation power in value chain governance nor better knowledge of markets and prices, which were handled by the business leaders.
42. **The design incorporated lessons learned from previous IFAD projects, in particular on the value chain approach and model.**²³ These included: (i) a strong focus on inclusiveness and direct targeting to reach the rural poor, with active involvement of municipalities and producers' associations; (ii) a clear focus on promising and dynamic subsectors with opportunities and advantages for poor smallholders; (iii) focused value chain and subsector development in order to establish strong market linkages through the setup of CSPs and cofinancing of business proposals jointly developed between cooperatives, producers' associations, small and medium enterprises (SMEs) and municipalities.
43. Given the complex governance structure and existing political tensions, **RCDP's design was somewhat ambitious in setting a goal of influencing policymaking processes** with three new laws to be developed and adopted during programme lifetime. Even though the design had an extensive analysis of the economic background, agriculture and rural poverty, it lacked an adequate comprehension of the challenges and anticipation of what was required to implement policy changes in addition to the ambitious model design and programme scale.

Targeting

44. **The programme's targeting strategy was multi-factor by structure, well-defined, and inclusive** of all relevant stakeholders. The targeting criteria included geographic selection, wealth ranking, land-holding size and productive assets.²⁴ It was oriented to non-commercial (and non-registered) smallholder farmers' inclusion

²¹ Multi-stakeholder platforms are one of the tools promoted by IFAD for pro-poor value chain governance. The term encompasses all the formal or informal frameworks in which representatives of the different links in a value chain meet, coordinate and make decisions in the interests of all. Many terms are used to designate these multi-stakeholder platforms: cluster, board, value chain platform, consortium, interprofessional organizations, among others. Key functions are around marketing, interlinked dialogue and political dialogue.

²² The term "business leader" was adopted during implementation. The project design report had called it Business Proposal/Plan Originator. These are actors who are in close contact with a potential market, performing the marketing and selling function of a particular product in the selected cluster. RCDP had three types of business leaders: (i) producer cooperatives with extended membership and related governance structure, bulking production from members and non-members; (ii) private intermediaries (e.g. traders, lead farmers) linked to producer associations and/or individual farmers; and (iii) private agribusiness companies (collectors, processors, wholesale buyers and exporters) sourcing from organized or individual producers or collectors.

²³ Lessons learned on the efficiency of implementation of IFAD projects in Bosnia and Herzegovina, RCDP project design report: Rural Enterprise Enhancement Project, closed in 2013, and the Rural Livelihood Development Project.

²⁴ The envisaged targeting strategy was based on a combination of geographical targeting (5 clusters and 79 municipalities for the Federation of Bosnia and Herzegovina, and 7 clusters and 64 municipalities for Republika Srpska) and participatory poverty assessment (to select poor households at the village level through wealth ranking). Poverty targeting aimed at identifying eligible beneficiaries based on three income thresholds: (i) very poor (below BAM 200 per household member, equivalent to US\$128); poor (BAM 201 – BAM 400 per household member, equivalent to US\$128 – US\$255); and borderline poor (401 km – 500 km per household member, equivalent to US\$256 – US\$319 based on the exchange rate at programme design). The eligibility criteria were then to be disaggregated by land-holding size and amount of assets.

into pre-selected pro-poor value chains through the business plan model.²⁵ The targeting approach also had quotas for women and youth to be included in the programme, along with an incentive of allocating an additional 10 per cent in cofinancing to women and youth applicants. Nonetheless, the programme did not provide disaggregated information to inform programme impact on different target groups apart from distinguishing between men and women. Mainstreaming themes such as disability were not captured by the programme, as they did not consider it a priority for targeting, let alone reporting.

45. **The programme did not have a robust mechanism to verify selection of beneficiaries.** In Republika Srpska, beneficiary verification reports were basic and lacked critical information on inclusion and exclusion error findings and recommendations for subsequent starter package cycles. In some cases, the same staff involved in beneficiary selection and implementation were responsible for conducting verification, which resulted in the lack of segregation of duties during verification. Although no significant mistargeting was found, it is important to have segregation of responsibilities around beneficiary selection, verification and validation processes in order to safeguard the integrity of the processes. In the Federation part of the programme, business leaders had a huge role to play in the identification and selection of beneficiaries as part of their business proposal, which was an activity they were not accustomed to conducting. Evidently, 50 per cent of beneficiaries selected already had working arrangements with the business leader prior to the programme. That said, the programme used an organization (SERDA) to conduct the verification exercises and provided brief reports highlighting identity and eligibility criteria matching, as well as duplication from previous starter pack cycles.

Changes in design

46. **The relevance of the programme improved with the change in the value chain cluster formation approach** – from subsector to geographical approach. According to the original design, RCDP was to be implemented through commodity-based, value chain-specific CSPs. Instead, clusters were formed based upon territorial boundaries, at regional levels, covering several municipalities and all existing value chains in the specific region. As a result, starter packages and CSPs were aligned with existing administrative boundaries, allowing for better engagement and coordination with municipal and cantonal authorities. The geographical approach resulted in better negotiation for the programme cofinancing, in-kind support, advocacy efforts, and access to subsidy programmes. This change also led to a higher-than-planned number of value chains, making effective monitoring more challenging. Consequently, the starter package monetary values were lowered to accommodate more value chains and producers and resulted in multiple-rate overachievement in beneficiary outreach.
47. **The RCDP was reduced from a 10-year 2-cycle programme to a 5-year programme during its first phase.** The initial design of two cycles was to be funded over two cycles of IFAD's Performance-Based Allocation System but following Bosnia and Herzegovina's subsequent exclusion from IFAD 11, RCDP costs were restructured by halving the programme's budget for IFAD's loan from US\$25 million to US\$12.25 million and only for the first phase. The overall programme cost was reduced to US\$32.4 million (from US\$61.45 million originally). This change substantially affected RCDP's exit strategy, especially as the established stakeholder platforms and cooperatives required significant time and support to be self-

²⁵ Value chains selected were berries, dairy, honey, medicinal and aromatic plants, vegetables, greenhouses, open field vegetables, and gherkins.

sustaining. In addition, the subsector development approach, with its five elements prescribed by the design, was already ambitious within the original design.²⁶

48. **The programme abandoned the use of vouchers** designed for the implementation of business development services (BDS), as it was later realized that vouchers were not a recognized form of legal tender. Nonetheless, the originally envisaged voucher system was to be a form of a contractual arrangement between three parties: pre-qualified business development service providers; beneficiaries, producer or farmer organizations; and APCU. The scheme was designed to facilitate efficient and transparent provision of BDS to recipients through a roster of consultants with expertise in a wide range of value chain development areas. Payment was to take place at the completion of the service delivery and verification of the work performance and confirmation from the service receiver. There was a lack of direct evidence indicating the level of effort made to try to introduce an alternative legal tender for payment. (The effectiveness of alternative approaches taken in Republika Srpska and the Federation of Bosnia and Herzegovina are discussed in the next section of the report.²⁷)
49. Although the voucher system had been abandoned, it **contained several elements that could have been separated from the problematic payment method itself** (which was a major justification for the cancellation of the entire system). In all 12 clusters, the system was intended to create a country-wide roster (database) of the providers of specialized services in areas other than core production-related extension services, including business and technological innovation services, in order to improve the competitiveness of their on- and off-farm enterprises.²⁸ During its only cycle of implementation, RCDP was not able to set up a local (within targeted municipalities) and then nationwide network of service providers and did not attempt to do it without a voucher payment system.²⁹ This resulted in limited possibilities to access business services specifically for the upstream value chains.
50. **Programme adjustments in response to the COVID-19 pandemic were relevant.** Effective provision of emergency starter packages responding to the APCU's request to cope with COVID-19 consequences demonstrated high capacity of the APCU's adaptability to rapid change. RCDP's response to COVID-19, with 9,000 emergency starter packages in Republika Srpska, was assessed as highly needed and highly adequate to beneficiaries' food security needs during that period. This response targeted affected poor rural households from vulnerable categories that did not have a stable source of income or were left without a source of income due to the crisis, either because they lost their job, or it became impossible to perform their economic activities. Urban households were also considered if they did not have a stable source of income and fell within the targeting criteria of RCDP beneficiaries.³⁰
51. **In summary**, RCDP was relevant to the country's (both entities) overall priorities in agricultural and rural development as well as IFAD's key strategies. The innovative and complex design in some respects was not too prescriptive, allowing the opportunity to test solutions and overcome contextual constraints, although it also contributed to a slow start. The programme underwent several changes but did not deviate from the core of the programme goal.

²⁶ (i) Subsector governance by all concerned private and public stakeholders through consultations and joint strategic planning of interventions; (ii) developing relevant institutions' capacities in the subsectors to ensure adequate supply of specialized services; (iii) an enabling policy framework in order to tackle the related trade, policy and institutional issues and promote local economic development; (iv) subsector performance monitoring and accountability; and (v) strengthening relevant institutions capacities.

²⁷ In Republika Srpska, 9 agronomists were hired by the APCU as field advisors to the clusters through funds pooled from various sources within the CSP. In the Federation of Bosnia and Herzegovina, SERDA delivered business development advisory services to small producers.

²⁸ Marketing, export promotion, licensing, off-farming topics, among others.

²⁹ According to the design document, this was to be undertaken through a phased approach. In this regard, the geographic coverage of this subcomponent would be wider in scope than that of RCDP, and synergies with other partners would be necessary to initiate a functioning network of BDS.

³⁰ Refer to paragraph 46 on targeting criteria.

52. Therefore, the relevance of the programme is rated satisfactory (5).

Effectiveness

53. **Total beneficiary outreach, as well as participation of women and youth, was considerably higher than targeted.** According to the programme logical framework, 31,026 households directly benefited from the programme (19,522 men and 11,504 women), against an end target of 13,000. Indirectly, the programme estimated that it reached 108,591 individuals (238 per cent of end target).³¹ Of these, 37 per cent were women, (compared to a 30 per cent end target) and 22.8 per cent were youth (compared to a 15 per cent end target). This high outreach was due to a combination of the following factors: (i) financial incentives and higher cofinancing from IFAD; (ii) clear targeting criteria; and (iii) a business plan approval process requiring that quotas for women and youth be met.

Outcome 1: Improved policy and institutional environment that attracts smallholders and investors to the selected subsectors

54. **Impact pathway 1:** The theory of change for this component was that by establishing and developing CSPs and subsector stakeholder platforms (SSPs) in each entity around specific value chains and providing them with capacity building in BDS, the programme would lead to active policy dialogue and attract smallholders and investors to the selected subsectors, thereby improving value chain policy and institutional environments.
55. **The programme established 12 geographic CSPs** in the targeted subsector value chains as a result of a well-organized participatory process. This was the first step to ensure that different stakeholders in a given geographical area had a platform for engagement around common agriculture development and business interests before the distribution of starter packages to beneficiaries began. The cluster identification process followed poverty profile priorities, and RCDP involved representatives of public entity interest groups at all levels, local development agencies and the private sector (SMEs, smallholder farmers and farmer organizations).
56. BFPs in each entity played a key role in setting up critical elements of the enabling environment.³² Argonet in Republika Srpska and SERDA in the Federation of Bosnia and Herzegovina helped CSPs take off by convening members, providing training and facilitating discussions for agenda and workplan setting. In the Federation of Bosnia and Herzegovina, the presence of strong and influential business leaders with a wide network of cooperative members was a critical factor for active engagement in the clusters due to perceived value added. In clusters with smaller and poorer municipalities, especially in remote areas, the lack of interest was mainly driven by lack of skills and resources to engage. Such cases required more support from SERDA, and the outcome was not always satisfactory.
57. In Republika Srpska, the internal dynamics of the CSPs were mainly driven by the APCU. The identified business leaders were not already well-established and influential agribusiness entities. Therefore, part of the APCU's role was to empower them to grow. The APCU was very effective in coordinating and steering this process, which resulted in successful implementation of the business plans and starter package distribution. The public-private dialogue was at the centre of all CSP activities. Each entity's good understanding of its unique context and the application of an implementation strategy suitable for the engagement of stakeholders were essential in the establishment of the CSPs.

³¹ A standard multiplication coefficient of x 3.5 (i.e. average household size) was used: 31,026 x 3.5 = 108,591.

³² Argonet in Republika Srpska and SERDA in Bosnia and Herzegovina. Business facilitation partners were organizations hired by RCDP to work on supporting local authorities in: (i) conducting training and awareness raising on beneficiary targeting principles; (ii) capacity support to municipalities/stakeholders' platform in setting up transparent and fair targeting criteria; (iii) carry out a beneficiary selection process, so as to avoid exclusionary practices and elite capture; and (iv) beneficiary verification in the Federation of Bosnia and Herzegovina.

58. **CSPs were successful in ensuring the inclusion of poor farmers, women and youth in the programme.** With field coordinators playing the role of cluster managers, clusters provided notable support to the core activities under the RCDP's second component. The platform members were taking part in the review and approval of business plans submitted by business leaders, the dissemination of information, and the mobilization of smallholder farmers. In Republika Srpska, CSPs were more directly involved in the coordination of business plans and starter package distribution processes, including identifying and aggregating demands for agricultural produce, and producer demands for inputs, extension and business development services.
59. **The formation of the 12 clusters led to a total of 12 value chains as opposed to the 3 envisaged at design,** as clusters wanted to cover value chains considered important in their regions. Notwithstanding the addition of new value chains, over 85 per cent of the total number of programme beneficiaries (i.e. the smallholder farmers who received starter packages through the business plans) were from the original three target subsectors (fruits, vegetables and NTFPs). In the Federation of Bosnia and Herzegovina, the share of starter packages from the additional value chains was 5 per cent, while in Republika Srpska it was 15 per cent. This indicates that the increase in the number of value chains did not necessarily increase interest in those value chains other than what was originally envisaged.

Figure 1

Value chains under the programme

FBiH			RS		
VC/Crop	#of_SPs	Incl. new VCs	VC/Crop	#of_SPs	Incl. new VCs
Cluster 1	2,978	413	Beekeeping	415	415
Fruits	70		Berries/Strawberry	1,352	
Honey	163	163	Cereals	271	271
MAP	40		Dairy	199	199
Nuts	250	250	Gherkins	518	
Vegetables	2,455		Greenhouse	1,244	
Cluster 2	109	-	MAPs	38	
Fruits	24		Tree Fruit	466	
MAP	85		Vegetables	1,365	
Cluster 3	3,228	-	Total	5,868	885 15%
Fruits	1,085		<i>Data by cluster breakdown was not available</i>		
Vegetables	2,143				
Cluster 4	342	50			
Fruits	87				
Honey	50	50			
Vegetables	205				
Cluster 5	3,933	50			
Fruits	1,737				
Honey	50	50			
MAP	650				
Vegetables	1,496				
Grand Total	10,590	513 5%			

Source: RCDP Physical Achievements Report.

60. In order to strengthen the environment for inclusive subsector development, **RCDP was supposed to help ensure adequate supply of specialized agribusiness support services (public and private).** This was only achieved at the individual business plan level to the extent required for effective implementation of the starter packages. In the Federation of Bosnia and Herzegovina, the business leaders were fully responsible for the extension service support. In Republika Srpska, public extension services provided extension service to the starter package beneficiaries. RCDP's original plan was to provide a pool of service providers via the CSPs and thereby create a network that would connect the demand and supply side of each selected value chain. This element could not fully materialize in the shortened programme timeline (and also due to cancellation of the voucher system model).

Nevertheless, the Training of Trainers programmes were successfully implemented in some clusters. In summary, the CSP programme could not achieve as much as was planned regarding agribusiness development services.

61. **There was no systematic collection of evidence to track and monitor subsector value chain performance in order to improve value chain policy** as indicated in the project design report. As elaborated in the M&E section, monitoring and assessing the subsector's performance was envisaged as an important area for setting the policy dialogue agenda between stakeholders and local and country authorities. The data collection system that existed in RCDP did not include value chain subsector monitoring and performance needs. A comprehensive monitoring system assisted primarily by the BDS providers did not materialize. For most business leaders, this was not their area of strength and was not perceived as a value addition for them. IFAD needed to demonstrate the value of such data and analysis in order for the different players to provide data and validate analysis.
62. The stakeholder platforms RCDP established in each of the 12 clusters have gradually progressed but stand at different levels of organizational capacity. The desk review and field mission focus group meetings showed that all clusters in both entities possess necessary organizational capacity to validate and agree on key priority actions for cluster development, but they lack relevant capacity in monitoring progress, promoting value chain integration and identifying constraints. In Republika Srpska, the stakeholder platforms were institutionalized by the Ministry of Agriculture by adopting a cluster development programme document to guide the new cluster establishment process.³³ In the Federation of Bosnia and Herzegovina, the CSPs are making efforts to act as local/regional development agencies working in partnership with municipalities and cantons.
63. The establishment of stakeholder platforms facilitated dialogue between public and private stakeholders in selected value chains and promoted collective action. In the Federation of Bosnia and Herzegovina, the CSPs created a collective voice to address logistical obstacles for some value chains and propose initiatives to lower the threshold for eligibility criteria of the agricultural subsidies at the municipal level. CSPs served as an effective information-sharing platform for the business leaders and other value chain partners. Although smallholder farmer interests are to be promoted in the CSP, their representation is by proxy. This is because individual farmers are not members, and their cooperative leaders are expected to represent their interests. This presented a challenge to those cooperative leaders, who sometimes double as business leaders and/or represent the interest of their cooperatives where they hold shares, thus sometimes conflicting with the interests of other smallholder farmers.

Outcome 2: Sustainable inclusion of poor smallholders and vulnerable groups in selected subsectors

64. **Impact pathway 2:** The theory of change for this component was that by pursuing a business-opportunity approach in selected value chains, business leaders would (through a value chain business plan model) provide starter packages with a three-party financing support instrument that would lead to the successful integration of poor farmers, women and youth into competitive and rewarding fruit, vegetable and NTFP value chains.³⁴
65. **RCDP successfully connected smallholder producers to business leaders through a contract arrangement**, providing them with subsidized production starter packages, technical support and a guaranteed market for their produce. This formalized the relationship between the farmer and business leader and helped build trust and demonstrate the seriousness of the model among stakeholders. The

³³ The Program Development of Agricultural Cluster in Republika Srpska in 2022-2025, developed by Republika Srpska Ministry of Education and Culture and Argonet.

³⁴ The three-party financing mechanism consisted of individual farmers or farmer organizations, public entities (e.g. municipalities, their sub-offices) at entity level, and IFAD.

essence of the cooperation between the programme and business leaders included offering them a network of small producers in several agriculture cycles with starter packages in return for a guaranteed purchase of the produce by the business leader, a first for most of the farmers.³⁵ Another motivating factor of the contract farming arrangement for the smallholder farmers was an opportunity to become eligible for various municipality subsidy programmes.

66. **The programme contributed to the availability of improved varieties with better yields and more cost-efficient production methods.** To satisfy exporters' requirement to have up to 85 per cent class 1 produce, the inputs included high-quality seeds (for gherkin, tomato, pepper and lettuce) combined with regular on-site monitoring and advisory services by company agronomists.³⁶ For gherkins, collection was organized daily and shipped to the buyer in crates or sacks with minimum waste. Access to high-quality inputs, efficient production organization and rigorous monitoring resulted in up to 30 per cent higher yields (taking into consideration less harvest waste) among gherkin producers in both entities.
67. **For non-export-oriented value chains,** the starter packages that included greenhouses enabled farmers to have early, mid-season and late-season produce, extending their production season by two to three months in some cases. Farmers expressed strong appreciation of the advantages of greenhouse production, highlighting other benefits such as efficient pest management and disease control. Greenhouse starter packages made up 9 per cent of all starter packages in the Federation of Bosnia and Herzegovina and 21 per cent in Republika Srpska.
68. **The highest share of the RCDP resources went to the berries sector** (32 per cent in the Federation of Bosnia and Herzegovina and 23 per cent in Republika Srpska). The raspberry value chain had the highest proportion of collective assets equipment value (40 per cent) and the highest proportion of starter package value (22 per cent). Based on the production data from both entities, the farmers in the berry subsector value chains (especially raspberry production) were still experiencing challenges in terms of achieving the levels of yields envisaged by the business plans. According to the subsector stakeholder discussion in Republika Srpska, "the reasons for the low yields of raspberries lie in the fact that farmers have been reducing their investments in agricultural technology for years, which has put the plantations in a very bad condition".^{37,38} RCDP tried to address the production investment side of the problem; however, there is still a lack of technical support due to the insufficient number of field agronomists in berries sector.
69. **To promote smallholder farmers' access to greater opportunities, the programme made it an eligibility prerequisite that beneficiaries be part of cooperatives.** However, similar to SMEs, the right to financial profit in cooperatives goes only to founder members who are the legal shareholders.³⁹ As such, decisions on distribution of all financial gain originated from added value activities by the cooperatives are made by the founders without direct or indirect involvement of the contract farmers, who are members only nominally. Exceptions were in the cases where the contract farmers, formerly members of the producer associations, became cooperative founders themselves (mostly in Republika Srpska). However, even in these cases, the proportion of cooperative founders compared to the total number of ordinary cooperative members was low (typically up to seven founders). As a

³⁵ The eligibility criteria implied targeting new smallholders who were not part of the market system. However, based on the PPE field interviews, some of the qualified smallholder farmers were already part of the informal network of farmers with the business leader prior to the programme. The programme did not track and disaggregate such smallholders.

³⁶ Class I is defined as good-quality produce that has minor defects in the skin or shape. Class I falls between extra class (superior quality produce that is regular in shape and appearance with only very slight defects) and class II (reasonably good-quality produce that may have one or more defects such as some bruising, damage or change in colour).

³⁷ In Republika Srpska, the subsector discussions are regularly organized by CSP stakeholders with APCU facilitation.

³⁸ Bosnia and Herzegovina is a relatively small producer of raspberries in Europe compared to Serbia and Poland. When these two countries experienced a bumper harvest in 2017-2018, it drove down the prices dramatically, resulting in losses for smallholder farmers and a subsequent reduction in interest and investment in the sector.

³⁹ According to the existing legislation.

result, there was limited equitable share of benefits from collective assets (processing and production equipment) received with programme support to ordinary cooperative members.⁴⁰ The prevailing sentiment among farmers was that they were part of a contract farming network during the business plan period and did not feel a sense of ownership or personal value in being a cooperative/producer association member.

70. **The programme demonstrated mixed evidence of moving along the value chain for smallholder producers under business plans receiving collective assets.** Opportunities to move along the value chain, from primary production towards processing and other value-added activities (such as wholesale distribution, small retail, and digital marketing), were provided in some business plans. These included possibilities for the sale of processed produce to the business leader or the marketplace. Such value chains included honey production in labelled jars, packaged fresh vegetables and berries, canned jams and juices, and organic dried fruits. The overall share of such farmers is estimated in a range of 10 to 20 per cent.⁴¹ In the remaining cases, beneficiaries who were helped by the programme to become cooperative members did not benefit from the financial gain resulting from processing activities in the cooperative. Within a longer timeframe, an IFAD programme could help cooperatives to open up to new shareholder members and also to work with profit-sharing models of contract farming.
71. **Contract conditions between business leaders and smallholder farmers differed, and in some cases missed the key design element of marketing.** In the export-oriented value chains (e.g. gherkins, fresh fruit and berries, vegetables, medicinal and aromatic plants), the contract conditions stipulated a clear pricing mechanism, payment process, and technical support to guarantee production requirements for the EU market. In other value chains, the business leaders' contracts with the starter package beneficiary farmers were less stringent, and in some cases were simply informal arrangements.⁴² When business leaders were not able to purchase the produce at the agreed price or directly facilitate the selling transaction, the producers were allowed and encouraged to sell elsewhere if the price was more favourable in the market than the business leader was offering. Such business leaders in the Federation of Bosnia and Herzegovina were mostly the producer associations that did not have their own production line and the necessary working capital. In Republika Srpska, such cases were related to business-oriented cooperatives that could not afford to pay the market price in certain seasons. However, while rational for the farmers, this varied from the original intent of the programme – to connect farmers to high-value markets – a fact that was also pointed out in the MTR.
72. Although the programme operated a one-off, one-cycle approach to starter packages, an exception was made under "intensification" and "diversification" business approaches. Intensification was applied to annual crops (e.g. gherkins, cucumbers, tomatoes) to allow for more production cycles and enable the farmers to accumulate proceeds for reinvesting in the next cycles. The diversification principle was used for those farmers who were dependent only on one crop, allowing them to diversify into another value chain. However, there was no systematized data or analysis drawn on beneficiaries in this category concerning the impact of this preferential treatment; nor was there data on attrition.
73. **In summary**, many of RCDP's outreach targets were over-achieved at output level. The programme successfully set up CSPs and SSPs, setting in motion a necessary framework for agricultural subsector development that brings together private and

⁴⁰ The standard farming contract included only supply of the harvested produce; it did not include provisions/rules for the use of the shared benefits.

⁴¹ Calculation of the exact number of such cases was not possible because of the provided data format.

⁴² The contract format between farmers and business leaders was never formalized (in the project implementation manual) nor directly monitored by the programme, as this function was entirely transferred to the business leaders. In Republika Srpska, the contract terms were discussed at the CSP.

public stakeholders. Beneficiaries were incorporated in value chains, provided with technical support and, through start-up packages, were engaged in contract farming with business leaders in a win-win arrangement for many, but with profits accruing more to the business leaders and founding/owner cooperative members. On the other hand, the cancellation of the second cycle of the programme and lack of necessary tools for implementation were the major hindering factors in demonstrating performance on some objectives and corresponding indicators. Despite the challenges, RCDP accomplished key programme aspects through: (i) its geographical strategy and adapting it effectively during implementation; (ii) establishing value chain governance systems to build trust and transparency; and (iii) engaging local governments.

74. Therefore, the effectiveness of the programme is rated satisfactory (5).

Innovation

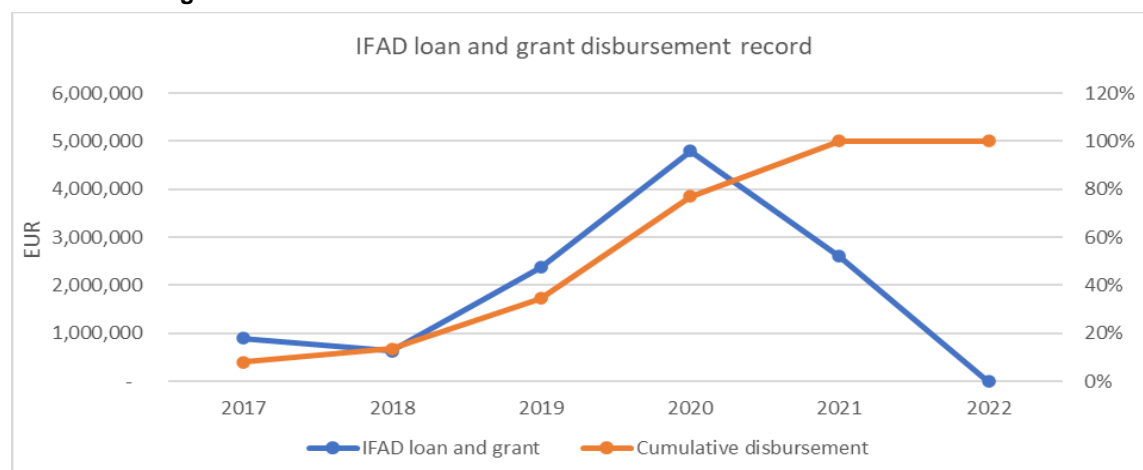
75. The multi-stakeholder public-private dialogue and value chain development approach, with the inclusion of local municipalities and cantons, was an innovative response to the needs of poor farmers disconnected from the market. One of the innovative features was to engage a wide range of municipalities (e.g. by geography, poverty level, budget priorities) and other local and regional non-state actors (municipality-supported development agencies and farmers associations). The very active engagement of the business leaders, in terms of high number of farmer networks with contract arrangements, contributed to economies of scale, which were not possible in past programmes with only very poor and scattered municipalities.
76. **The CSP model was an innovation in encouraging agriculture and rural development stakeholders to dialogue and set a common agenda** for advancing the sector. In Republika Srpska, the CSP was seen by the authorities as a relevant innovation and instituted it as a regional agricultural coordination institution. In the Federation of the Bosnia and Herzegovina, the platforms have the potential to play an important role in rural development in the environment where such institutional players are missing. A key success factor for both entities has been that the CSPs filled the void in coordination and dialogue, facilitated by the proactive role of the APCU or PCU in efficiently fast-tracking CSPs' development through the deployment of full-time cluster managers and field coordinators.
77. IFAD has been working with the rural poor in Bosnia and Herzegovina, but **this was the first time that its implementation model connected farmers to the market from the outset**. Previous interventions focused on production and infrastructure, but RCDP combined production and market access at the core through the business leader-led contract farming arrangement. Many beneficiaries reported having continued working with their business leader post-programme under the same arrangement of contract farming, with business leader pre-financing starter packages when beneficiaries cannot afford the inputs and later repay in kind as a percentage of the harvest.
78. The programme missed an opportunity to have technological innovations, particularly in data and information management systems, to match the ambition and innovative nature of its approach. Such a system would have helped to capture, analyse and share information coming from different points and stakeholders in the programme. This information could have then been brought to the attention of stakeholders in the selected value chains. The missed opportunity is a result of not having a comprehensive Management Information System.
79. **In summary**, innovation is rated moderately satisfactory (4).

Efficiency

80. The programme was approved on 12 December 2015 and became effective on 16 March 2017, i.e. 15 months from approval to effectiveness. **The time from approval to effectiveness was above the regional average** of 11.2 months and the IFAD average of 11.7 months. The programme then had a slow start, with the

first disbursement in November 2017. Although disbursement levels were very low during the first two years of implementation, they improved after 2020, and as of 31 March 2022, RCDP had disbursed 97.36 per cent (EUR 10.83 million) of the total approved budget under the IFAD loan and 100 per cent of the IFAD grant.

Figure 2
IFAD loan and grant disbursement record



Source: IFAD RCDP Project Completion Report.

81. The cumulative beneficiary contribution according to the physical achievement data from both entities is presented below. The total value falls short of the appraised amount, at 90 per cent.⁴³

Table 3
Cumulative beneficiary contribution according to the physical achievement data

Local co-financier	SP Asset& infr.		Total, KM	USD	EUR
Municipality	2,577,675	536,155	3,113,829	\$1,988,397	€ 1,591,937
Beneficiaries	19,898,036	918,056	20,816,092	\$13,292,524	€ 10,642,174

Source: RCDP Physical Achievements Report.

82. Analysis of the expense distribution for starter packages by clusters demonstrated more concentration in the Federation of Bosnia and Herzegovina (clusters 1 and 5 totalling 78 per cent), whereas in Republika Srpska, this distribution was more even. This is explained by the more decentralized business-driven approach taken by the PCU, where business leaders with wider farmers' network capabilities were selected. The distribution of the number of municipalities in the clusters was more even in both entities.⁴⁴ The distribution of expenses by value chain subsectors in both entities was generally in line with the original plan that focused on three main subsectors (before adopting a geographic approach when more value chains were added).⁴⁵
83. The field interviews demonstrated that the bulk purchasing of starter packages led to economies of scale for the business leaders and resulted in lower prices for the inputs. Collective group negotiation for a common cluster contributed to cost savings during implementation, which were used to compensate for other costs in the business plans, including technical support, extension services and certification. However, the estimation of the overall savings level was not possible due to lack of monitoring records.

⁴³ According to the Project Completion Report estimation, it was 67 per cent compared to the appraised value of EUR 14.83 million. The PPE estimation used the exchange rate at the time of the Project Completion Report, which resulted in 90 per cent.

⁴⁴ It should be noted that the number of municipalities in the Federation of Bosnia and Herzegovina were counted based on the locations of the business leader and producer association, and not on the origin of the starter package beneficiary farmers. The latter was not captured in the physical achievement dataset.

⁴⁵ However, the PCU and APCU used different classifications for the value chain and crops, which makes data aggregation and comparison difficult.

84. **Adapting and operationalizing the programme model and concepts outlined in the project design report took longer than anticipated.** The development of the relevant business plan model and adapting it to the institutional context of each entity was a challenging task. Among the main factors requiring adaptation to the context were: (i) in the Federation of Bosnia and Herzegovina, the PCU is not formally a structural unit of the Ministry of Agriculture, whereas in Republika Srpska, the APCU is a structural unit of the Ministry, which consequently determined the level of engagement and connectivity role of the municipalities; and (ii) there were differences in the size, integration level, market/export orientation, and technical capacity of the business leaders and their network of producers. Clearance of the procurement procedures for setting up the starter package deployment system took almost 18 months for both entities. Due to various implementation delays, the programme **delivered over 40 per cent of the starter packages in 2021 and the first quarter of 2022**. Thirty per cent of starter packages were delivered in the last three quarters of programme implementation.
85. **RCDP had a substantially lower actual cost per beneficiary** of US\$1,045 against the planned US\$3,841. This was due to the original high estimate of the cost of the starter packages and because the programme outreach significantly exceeded the revised target. The high initial cost estimates of starter packages created an issue of affordability for beneficiaries to cofinance 50 per cent. A compromise was reached to opt for starter package compositions with a lower cost range that beneficiaries could afford to cofinance. The reduced starter package budget did not have much effect on the overall productivity level, as less expensive solutions were found to be adequate for the small areas of land (typically up to 0.2 ha).
86. **The Project Completion Report (PCR) reported lower ex-post economic internal rate of return (EIRR) and expected net present value (ENPV) compared to the original estimations.**⁴⁶ Among the explanations provided was a high number of gherkin-producing beneficiaries (almost 40 per cent of all beneficiaries) who produced on open field and reported their intention to drop out from this production after programme closure due to high fluctuations in inputs and outputs prices, ultimately affecting the overall programme net benefits. Hence, market risk (price uncertainty) reduced future plantings and negatively affected the EIRR and ENPV values. The project design provided an analysis on price volatility risk for the berry subsector and a thorough description of the existing institutional limitations to manage market risks, along with several risk mitigation strategies that RCDP could deploy. However, a price risk analysis at the specific value chain level did not follow. Hence, the general preventive measures prescribed in the design were not sufficient to quickly react to the consequences of the dramatic price fluctuations.⁴⁷
87. **Programme management costs were reasonable and below the IFAD average.** At completion, programme management costs (i.e. component 3) accounted for 6.3 per cent of total programme costs, lower than the appraisal estimate of 8.1 per cent before the sequestration of the budget (but slightly higher than the adjusted budget for one cycle at 5.2 per cent). This is below the IFAD benchmark value of 10 per cent. These costs were generally in line with other IFAD projects in the region.
88. As mentioned in the sections above, the programme exceeded most of the physical outputs and was generally implemented without major delays despite challenges of agreeing to the procurement process and obtaining IFAD approvals. The shortened

⁴⁶ The EIRR and ENPV calculations were also adjusted to reflect the 5-year cycle cost as opposed to the initial projections based on a 10-year 2-cycle project.

⁴⁷ "Price volatility is related to *production shocks* and *supply chain inefficiencies*. However, in general, appropriate production and commercial strategies can help reduce prices variability and capture value for smallholders during different stages of the harvest." (Project Design Report, annex VI).

timeframe to a five-year cycle resulted in halving the programme costs and did not affect the overall efficiency of the programme.⁴⁸

89. **In summary**, programme costs and economic and financial indicators were generally positive, due to the downsized cost per beneficiary and the achievement of significantly higher than planned outreach and output results. Taking into consideration the challenges with programme roll-out, COVID-19 restrictions and late delivery of the bulk of starter packages, the programme still managed to deliver its outputs within the first cycle within budget. Therefore, efficiency is rated satisfactory (5).

Rural poverty impact

90. The rural poverty impact section refers widely to a household-level quantitative impact assessment conducted at the end of the programme. As per IFAD guidelines, a control group (counterfactual) was included in the analysis and two separate surveys were implemented for the two implementing entities. The impact assessment (IA) did not provide data on the following programme indicators; (i) export-oriented value chains to respond to the indicator "Percentage increase in volume of produce exported"; (ii) "Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices"; and (iii) aggregated data on market access by commodity. A qualitative aspect was included in the IA but its findings are not discussed at length, making it difficult to account for the nuance in why results differed between locations.

Changes in income, assets and productive capacity

91. **The programme recorded an overall increase in household income, but with differing results at the entity levels.** At aggregate level, the impact assessment reports that gross income per capita had increased by 25.5 per cent, while RCDP beneficiary households registered a total increase in gross income of 24.4 per cent (against a 20 per cent end target) compared to the control group. Net income per capita increased by 13.7 per cent, while net income per household increased by 30 per cent. At entity level, in Republika Srpska, no statistically significant impact on gross or net income had been registered; however, at the household level, the estimated impact on income was positive (8 per cent). This is explained by the fact that Republika Srpska delivered over 40 per cent of the starter packages in 2021 and the first quarter of 2022, with another 30 per cent delivered in the last three quarters of programme implementation. Hence, there was not enough time to observe significant impact. For the Federation of Bosnia and Herzegovina, beneficiaries registered an average increase of 25 per cent in total income compared to the control group, while in terms of net income the increase was 18 per cent. However, there was no increase in per capita income. The IA analysis did not investigate any target-group-specific income effects in order to determine which poverty bracket targeted performed better and why.
92. **In both entities, there was a 50.6 per cent increase in the total value of production (agriculture and livestock) and a 67.1 per cent increase in sales value**, which was an indication of starter packages' potential to increase farmers' income. The IA attributes this result to the lower cost of agricultural inputs, which is largely independent of household size and a function of the type of production. This is because beneficiaries received cofinancing since they did not have to pay full market price for agriculture inputs on their own, as in previous times. Overall, these results point to the relevance of RCDP's main goal, which is increasing the value of production accruing to smallholders. Qualitative data from evaluation focus group discussions with farmers confirmed that the value chains were profitable, as none of

⁴⁸ RCDP cost tables were updated by halving the programme budget for IFAD loan from US\$25 million to US\$12.25 million (phase 1 only). In the new cost tables, the programme cost was reduced to US\$32.4 million and funds were distributed as follows: IFAD loan US\$12.25 million; IFAD grant US\$0.50 million; government contribution US\$2.46 million; municipalities US\$0.86 million; and private sector US\$16.34 million. Component 1 received US\$1.38 million, component 2 US\$29.31 million and component 3 US\$1.71 million.

them ran any losses. The challenge they reported was sustaining those incomes every season in the absence of subsidized input support. Another challenge reported was that in many of the value chains, farmers only have four months of production and income, while the rest of the year they do not make any agricultural income. As a result, the gains made are easily consumed in the long wait for the next season. Hence, there is continued need for smallholder farmers to have non-farm-based income.

93. The increase in RCDP beneficiaries' income is mainly from higher revenue earned for increased quantity, better quality, and secure produce markets. The income increases resulted from: (i) direct partnership between the producers and the export-oriented agribusinesses without the presence of any marketing intermediaries; (ii) relatively high margins paid by the marketing partners to the producers to prevent side-selling; (iii) beneficiaries' crop selection based on advice from the marketing partners according to their export requirements, instead of crop selection based on local market experiences, which risks oversupply and lower crop prices in the local markets after harvest; and (iv) the marketing partners' access to cold storage facilities, which helped them protect their financial margins (and their price commitment to farmers) by regulating their supply to the export market.⁴⁹
94. **The programme's objective of increased incomes for all is attainable in one season but not sustainable over time**, as a one-cycle production entails only four to five months of production and income and no agriculture income for the rest of the year. Sustainable increased income requires year-round production, and this requires farmers to go from just seasonal backyard farming to thinking about agriculture as a business. In addition, new value chains introduced had mixed findings. The new production technologies (e.g. improved seed, greenhouse production) were welcomed by beneficiaries, but labour-intensive value chains like berries were found challenging by new entrants and discontinued in subsequent years. Moreover, the short-term labour supply for the harvest season is generally a challenge in rural areas. Part of this is because of high youth emigration from the rural areas due to lack of economic opportunities. In addition, Bosnia and Herzegovina is a small producer of raspberries and a price taker, because in Europe the prices are determined by larger raspberry producers, such as Serbia and Poland.⁵⁰
95. **The programme in the Federation of Bosnia and Herzegovina reported impact on productive assets of 34 per cent**, which could be attributed to the inclusion of some productive equipment such as greenhouses in some starter packages. This percentage is high because the IA counted greenhouse and drip irrigation equipment received as assets. In fact, many beneficiaries who received greenhouses earlier in the programme mentioned the need to repair or eventually replace the old ones. On the other hand, the programme had no significant impact on household or livestock assets, which could be related to the lack of interest from the business to engage in livestock starter packages, except for beekeeping. For Republika Srpska, the programme had an impact of 13 per cent increase on livestock assets due in part to the investment in dairy starter packages and beekeeping. The logframe indicator "Percentage increase in households with improvement in assets ownership index" was met by only 66 per cent for productive assets and 80 per cent for durable assets.
96. In the Federation of Bosnia and Herzegovina, IA results showed a 23 per cent increase in the value of total production and a 60 per cent increase in gross margin.⁵¹ Overall, there was no statistically significant impact on the total value of production per ha except for gherkins, which was one of the largest value chains supported. The

⁴⁹ RCDP Project Completion Report, 2023.

⁵⁰ In 2017–2018 there was a bumper harvest in Serbia and Poland and prices went down, affecting producers in Bosnia and Herzegovina; this contributed to loss of interest and scepticism in the sector by many smallholder farmers.

⁵¹ Note that the IA only considered primarily agricultural and seed inputs costs; it did not estimate or include the value of own labour in the calculation of costs, meaning that costs are underestimated.

magnitude of increase for total production per ha was 35 per cent. However, the IA was unable to analyse individual value chain crop yields other than gherkins. The lack of precision in the estimate is due largely to high variability in value per ha, which can be attributed in part to the inclusion of both high-value crops (e.g. medicinal and aromatic plants) and some lower-value crops (e.g. potatoes).

97. **The programme reported having created 459 new jobs, out of which 177, or 38 per cent, were held by women.** The IA measured new jobs created as the number of new full-time or recurrent seasonal on-farm and off-farm jobs created thanks to programme activities since programme start-up, either as independent individuals (self-employed) or as employees of micro-, small- and medium-sized enterprises.

Changes in household food and nutrition security

98. Although the programme did not have a nutrition focus, the IA recorded a significant impact on nutrition as proxied by dietary diversity indicator with a 7-day and 24-hour recall. This occurred despite households already having relatively diverse diets pre-programme, consuming 9.8 out of 16 food groups. Using a 7-day recall, dietary diversity increased by 17 per cent, and by 18 per cent using the 24-hour recall. The IA asserts that this may indicate that increased incomes were used to diversify diets and/or the investments from starter packages enabled beneficiaries to grow a more diverse set of crops for own consumption. However, this assumption by the IA is hard to verify without confirming qualitative information from the beneficiaries. In addition, the impact pathway that could attribute such a change to the programme is unclear, since this was not a focus of the programme. The impact of the COVID-19 response on food security or livelihoods was also not measured.

Changes in human and social capital and empowerment

99. The programme reached a total of 31,026 beneficiaries with start-up packages and trained a total of 15,081 people (143.6 per cent of the end target), including 36 per cent women and 6 per cent youth, in good agriculture production practices. The PCR also reports that 101 farmer organizations have been supported (336 per cent of the programme's end target), and 86 producer associations and cooperatives (287 per cent of target) have improved their productive or marketing assets. The programme also supported the organizational capacity of farmer organizations through assistance in registrations of new ones, and provision of trainings and the practical steps for transforming producer associations into cooperatives, of which five are in Republika Srpska and one in the Federation of Bosnia and Herzegovina. The programme also overachieved its targets for percentage of vulnerable groups reported in producer associations' and cooperatives' decision-making positions, i.e. 151 per cent for women and 148 per cent for youth respectively.⁵² However, there was no data collected on the influence and impact (if any) of having these groups in leadership positions.

Changes in institutions and policies

100. RCDP supported the establishment and operationalization of CSPs and subsector platforms (refer to effectiveness section, impact pathway 1). This has strengthened both informal and formal networks between these groups and gives the CSP a collective voice to undertake advocacy efforts, negotiate with suppliers as a unit and participate as a sounding board for sector-related issues and initiatives brought up by other members/players and development partners.
101. In Republika Srpska, the programme provided extensive Training of Trainers and technical assistance to existing extension service administrations and field workers under the Ministry of Agriculture, who in turn provided extension services to beneficiaries under the Business Plan arrangement. This extension support was also rendered to non-programme beneficiaries through extension support workshops that the department was able to run after the RCDP-sponsored training in various

⁵² The target for women and youth in cooperative/producer association leadership positions was 20 per cent.

municipalities. RCDP also supported the formation of cooperatives, provided training on organizational development, and provided collective equipment (reported earlier in the effectiveness section). However, RCDP did not manage to reach its target to influence policymaking processes regarding three new laws to be developed and adopted, owing to the programme being only for 5 years instead of the projected 10 years.

102. **In summary**, RCDP made an impact on rural poverty since, at aggregate level, beneficiary households registered an increase in income, agriculture production, sales value and assets. Farmers did not report any losses although their increase in income was often seasonal. The programme invested in human and social capital through training of smallholder farmers and farmer organizations as well as for the CSPs and subsector platforms. The targets for percentage of women and youth in leadership positions in farmer organizations were also exceeded, although their impact is unknown. The CSPs and subsector platforms created have become a voice for advancing the agriculture agenda in concerned regions, with entity governments recognizing and supporting them.
103. Therefore, rural impact is rated satisfactory (5).

Sustainability of benefits

104. A substantial investment was made in the creation and operationalization of the 12 CSPs. However, **without further support from IFAD, the functionality of these platforms is unlikely to continue**. There was varied evidence from cluster to cluster on their readiness to self-sustain as institutions because the strength of each CSP is dependent on the perceived value, engagement, vision and collective support of its stakeholders in that geographical area. As a minimum, each CSP needs to keep the cluster manager on the payroll and to finance its operational activities. RCDP covered the cluster managers' salaries and some operational costs, and the same has continued under the current IFAD-funded Rural Enterprise and Agriculture Development Project (READP), while some in-kind support is also received from municipality leaders in both entities. Some CSPs have established membership fees for different categories of members, but these vary greatly within and across entities. For instance, in Bosnia and Herzegovina, the Cavin municipality CSP annual membership fees are as high as BAM 1,200 per year per member, while in Republika Srpska municipality of Nevisinje the annual fees are BAM 200 per year; in some clusters, no fees are required at all. Part of this lack of readiness of the CSP to self-sustain could be attributed to the shortened timeframe for implementing RCDP.
105. RCDP supported the formation of new cooperatives and strengthening of existing ones, yet the prospects of longer-term sustainability are mixed, given the history of cooperatives in Bosnia and Herzegovina, and scepticism about their ability to be a channel to transform livelihoods. The mandatory participation in cooperatives helped reinforce the idea of working as organized groups, but did not always translate into active cooperative engagement. Business leaders and cooperative leaders who received collective assets and are now engaged in processing were able to speak to the power of cooperatives to transform farming into a profitable business. However, many beneficiaries could not articulate the difference it made beyond being a platform for receiving IFAD programme benefits and exchanging ideas with other farmers with whom they had formed a network.
106. **Cooperatives that received sorting or processing equipment confirmed making provisions for operations and maintenance** from the profits and/or user fees charged. The PPE team visited and spoke to members of several cooperatives receiving collective equipment, which, in most cases, was relatively new and functional. Hence, it was still too early to ascertain how well operations and maintenance were going. Nonetheless, cooperatives demonstrated an understanding of the importance of operations and maintenance by having a trained technician on staff (on a needs basis). Since the equipment was partially cofinanced by bank loans in some cases, there was a commitment to ensure that machinery was in good shape

so as to continue the income stream. For beneficiaries who received greenhouses, maintenance provisions are left to the individual recipients to make.

107. According to the alliance of unions in Republika Srpska, **only 50 per cent of all registered cooperatives are active**, and the majority of those were created at least five years ago, the same period in which they saw about 40 new cooperatives being registered with IFAD support. Hence, the fallout rate of cooperatives is very high, and this is consistent with the PPE findings. Once the starter package cycle is over, the smallholder farmers were not actively engaged in the cooperatives, unless the cooperative was tied to a business leader with whom they were still engaging. RCDP did not have a component of cooperative growth monitoring, based on the assumption that given an equal footing at start up (training, resources), cooperatives would take initiative to seek opportunities to grow as needed.
108. **Exit strategies exist but were developed late in the shortened programme cycle.** The focus was limited to accomplishments of activities, paying little attention to how the business leaders would continue to operate beyond programme financing. The exit strategies confuse the achievements of programme targets, especially when targets are exceeded, with being sustainable. There was little room for exit strategy monitoring to adjust for the changes resulting from the shortening of the programme to five years.
109. RCDP helped integrate many smallholder producers into high-value markets in which, for the most part, they are motivated to continue. For annual crop value chains, there was little evidence that the production organized and led by the smallholder producers will be sustainable without external help, even after multiple years of reinvestment. However, business leaders continue to pre-finance the annual starter packages type of inputs using bank and supplier credit (in kind and repaid with the production). This constant pre-financing is an indication of perpetual dependence on business leaders, when the programme expectation was that income from the first cycle would be used to cofinance subsequent starter packages as needed. Hence, while the individual farmer's production is sustainable, a group-organized business model, without business leaders, may not be sustainable for the poor, very small farmers. Nevertheless, the skills they learned from RCDP will continue to benefit them in farming practices.
110. **Business leaders' willingness to continue working year to year with farmers is a key factor in sustainability**, as long as the relationship continues to make business sense to both parties. Business leaders believe that enough upfront investment by RCDP has been made (e.g. through training, standards maintenance and networks) for logistical and technical support to the farmers to continue. In addition, many business leaders' agribusinesses have in-house agronomists, and contracted farmers can access their technical support as needed. However, for the business leaders, the investment made in meeting EU standards for EU export-oriented value chains provides an incentive to continue with the same farmers, whereas changing farmers each cropping season was reported as a strain on relationship-building and production standards. Hence, continuing with the same farmers formally was proposed as a more sustainable way of building farmer resilience.
111. **The Government has demonstrated support for sustainable CSP platforms by formally recognizing them in new strategic documents.** However, the levels of support differ between entities. In Republika Srpska, funds are to be set aside for cluster development in the Rulebook on Agricultural Subsidies of Republika Srpska, and municipal rulebooks on agricultural subsidies, thereby creating an opportunity for CSPs to submit their project proposals for funding at the entity or municipal level. Cofinancing by both the private sector and government, through local authorities, was another example of continued ownership. In Bosnia and Herzegovina, CSPs are not part of the rulebook on agriculture subsidies and so not eligible for direct funding from government.

112. In light of the analysis above, sustainability is rated as moderately satisfactory (4).

Scaling up

113. To continue reaching the profile of farmers that IFAD targeted, both entity governments have increased their budgets to support agriculture production. In the Federation of Bosnia and Herzegovina, the total subsidy amount increased from BAM 68.7 million in 2019 to BAM 164 million in 2023. In addition, the **eligibility threshold has been lowered to allow smallholder farmers to start accessing subsidies** in order for them to invest in modern farming practices, acquire advanced equipment, and improve overall productivity. Similarly, Republika Srpska increased its subsidy to fortify the agriculture sector from approximately BAM 71 million in 2019 to BAM 180 million in 2023. This subsidy surge is expected to provide crucial support to smallholder farmers and enhance their competitiveness. While these substantial increases in subsidies reflect the commitment of both entities to promote and sustain the growth of the agriculture sector, the Government needs to rethink its subsidy strategy given its EU candidacy status, since aligning to the European Union's Common Agricultural Policy requirements entails dropping such subsidy programmes or making them more tailored and temporal.
114. **A follow up-IFAD project (READP) continues with the model of a business leader-led approach** to starter packages/rural competitiveness and supporting the CSPs so as to solidify the gains made by RCDP. In addition, READP is implementing a cofinanced graduate trainee programme, which had been planned but not implemented in RCDP. Under this initiative, the READP provides BAM 543 monthly to each graduate trainee with a higher education diploma, representing 70 per cent of the total net salary paid to the graduate. The employer pays 30 per cent of the net salary plus the full amount for the costs of mandatory contributions for the graduate trainee's taxes and health and pension insurance. The aim is to increase job opportunities for young people in the agriculture sector and also for the farmers to have access to technical support, in keeping with the work established by RCDP.
115. The CSPs have demonstrated the power of organized groups to effectively lobby for certain causes, conduct interlinked dialogue and achieve results. Development actors have taken notice of this progress and begun to engage with these platforms. PPE interviews with other rural development actors confirmed they are using these platforms to engage with agriculture sector partners to have draft policy proposals reviewed, new project proposals validated, and rural and agriculture development funding opportunities promoted. It must be noted that given the programme's reduced life span, the full extent to which the programme design could be scaled up was affected.
116. Therefore, scaling up is rated as moderately satisfactory (4).

Environment and natural resource management/climate change adaptation

117. RCDP integrated aspects of environmental sustainability by introducing greenhouse production as a resilience measure against adverse impacts of climate change. Small-scale irrigation systems were included in the starter packages that producers received for greenhouse production, contributing to efficient use of water and towards resilience against drought in areas where a reliable water source is available. Beneficiaries reported that greenhouse production helped reduce exposure to late spring frost and occurrence of diseases and pests. It also helped to phase production and harvest times (i.e. earlier ripening of fruits), as well as give the possibility of adjusting the harvest times to the needs of the market by using different planting dates. For farmers new to greenhouse production, it was a way to embrace a farming transition towards integrated plant production and protection.
118. **An integrated system of crop protection was a core element of the programme.** RCDP ensured that only pesticides from the green list were included in starter packages, supported by technical advisory services for their proper use. By

changing the approach in the selection of pesticides and disseminating its importance, the programme contributed to the prevention of their resistance to given pathogens and pests. Although particular attention was paid to the composition of the starter package regarding plant protection products (green list pesticides), additional efforts are needed for a holistic, integrated system of crop protection.

119. The indicator "Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices" was not systematically measured by the programme. Hence, it was difficult to ascertain the definite impact. Furthermore, A/PCU used different methodologies to measure this indicator, and hence aggregation was not possible, even by the IA. However, it was noted that climate change-sensitive equipment in the starter packages, such as greenhouses and irrigation, had positive effects on mitigating climate stress.
120. The rating for natural resource management is therefore moderately satisfactory (4).

Gender equality and women's empowerment

121. **The programme made a deliberate effort to increase the participation of women and youth and exceeded its set outreach targets.** The programme reached 11,504 women, surpassing its outreach target by 295 per cent; and reached 7,077 youth, surpassing its outreach target by 357.4 per cent. This was the first time that such high numbers of female and youth participation were achieved in IFAD-supported programmes in Bosnia and Herzegovina. The success can be attributed to: (i) numerous stakeholder outreach workshops on RCDP's gender approach and requirements/quotas for approval of business leader business plans; (ii) starter package incentives of an additional 10 to 20 per cent cofinancing for women to participate; and (iii) the selection of value chains for RCDP with a traditionally high rate of women's employment (in particular, medicinal and aromatic plants, NTFPs and cucumber).
122. **RCDP addressed two out of the three gender policy objectives (economic empowerment and decision-making).** In addition to incentives for cofinancing, RCDP required women's representation in the CSP governance structures as a starting point to promote women's participation in decision-making at the community level. This ensured women's representation in the CSP, although not many women were willing to take up chairpersonship roles. The programme also supported the formation and capacity-building of youth-based and women-only cooperatives. In Republika Srpska, a total of eight business plans were prepared for women and youth organizations as business leaders: three for youth organizations and five for women's cooperatives.⁵³ Even though these numbers are few in comparison to the total number of business plans, it showed some progress in the effort to include women and youth, especially when they had shown initiative to self-organize. Training was given to 15,081 beneficiaries in production practices and/or technologies, of whom 5,452 (36 per cent) were women and 1,055 (6 per cent) were youth. In addition, the programme undertook different activities focusing on women and youth empowerment within the cluster organizations.⁵⁴
123. RCDP was guided by gender action plans and dedicated gender staff in both entities, but **fell short of providing programme impact beyond participation numbers on gender equality and women's empowerment (GEWE).** Building on the lessons learned from past projects, RCDP had dedicated gender and targeting officers to steer the targeting and the GEWE component of the project, as well as implementation of gender action plans resulting from the gender assessment carried out in each entity. The PCR estimated that 459 new jobs were created, of which 177

⁵³ The eight business plans prepared for youth and women organizations as business leaders in Republika Srpska were: youth organizations; (Nasa borovnica, AC Plodovi Slatine and AC Klekovaca) and for women cooperatives (AC Zena, AC Suncani brijeg, Dunjica, AC Agroprijedor, AC Eko-plod).

⁵⁴ Awareness-raising of the opportunities for funding and grants among the women farmers, project proposal and business plan development, public events, and exhibitions and fairs specifically for women to sell and exhibit their products and handicrafts.

(39 per cent) of job owners were women. The lack of data regarding impact from the economic empowerment of newly employed women was a missed opportunity to showcase any such progress that would be attributed to programme interventions, an issue that was also raised in the final support mission.⁵⁵ Results of other gender empowerment dimensions, such as reduced workload, decision-making, and contribution to policy change, were not systematically measured by the programme.

124. The medicinal and aromatic plants value chain in the Federation of Bosnia and Herzegovina reported the highest participation of women (85 per cent) and youth (15 per cent). Unlike in other value chains, these women and youth did not have to cultivate but were collectors of organically growing plants, and even those without land could participate as they picked the produce from public forests and did not require any initial investment except skills on picking and handling delicate produce. This value chain was favourable to participants because though collection is seasonal, the buyers were paid daily upon delivery of the produce, which motivated continued participation. The business leader buyers also preferred to work with these women and youth in support of keeping alive a regional and proud tradition of fruit- and produce-picking that was passed on within families and enabled the poor from their community to have an income.
125. **An increase in women's workload was reported in some labour-intensive value chains**, such as gherkins (open field), cucumbers and berries. Focus group discussions indicated that although these were also profitable value chains, they created additional time demands on women and families, especially for those who were new entrants into these value chains. The upside mentioned was that, although labour-intensive, production was taking place closer to or at home. For example, in gherkins and cucumber production, 41 per cent of women were involved, and the production fields were in the proximity of 100 metres. For berries, the challenge for the sector in general is the availability of seasonal workers to work as pickers, and when these cannot be found, the burden falls on the women and their families to collect the harvest. Increased women's income was reported, but as the PCR notes, this is because many of the women targeted had no previous income. The income generated was not sufficient for them to re-engage in the next season's farming without private funding support, and hence the income was negligible in real terms.
126. **In summary**, RCDP made significant effort to strengthen GEWE by having gender actions plans, setting clear targets, running sensitization workshops with business leaders and providing an additional 10 per cent cofinancing to women and youth. The programme promoted the inclusion of women in leadership positions in CSPs and various farmer organizations. However, the programme at best only ensured gender awareness and participation. There was no analysis of gender intersectionality of targeted women; hence, reporting of the programme's interaction with women treated them as a homogeneous group. The same applied to youth. The programme also missed opportunities to capture evidence on the impact of participation of women and youth on their economic positions or the institutions they helped lead.
127. Gender equality and women's empowerment is, therefore, rated moderately satisfactory (4).

Performance of partners

128. This criterion assesses the extent to which the Government (including the central and local authorities) and IFAD supported the design, implementation and achievement of results as well as the creation of an enabling policy environment for the delivery of programme development objectives. The assessment also considers the adequacy of government ownership and responsibility during the implementation of all programme interventions, as well as in ensuring quality preparation and implementation, compliance with covenants and agreements, supporting a conducive

⁵⁵ IFAD 2021, support mission to Bosnia and Herzegovina.

policy environment, establishing the basis for sustainability, and harnessing participation by the programme's stakeholders.

IFAD performance

129. While the COVID-19 pandemic restricted on-site visits to the country, **IFAD carried out three supervision missions, an implementation support mission and an MTR.** Due to COVID-19 travel restrictions, only two support missions were on site; the rest were conducted remotely. Despite this support, it took a long time to establish an agreement on procurement-related issues between IFAD and the project implementation units in the two entities, which contributed to an 18-month delay in implementation in the case of Republika Srpska. Procurement procedure issues were mainly pertaining to the programme modality of using a business leader and business plan-based approach to implementation, contracting and verification before payments could be made. In some cases, the implementing units reported receiving conflicting directives between headquarters and the regional hub, delaying the work even further. IFAD should have expedited the resolution of these issues, recognizing that the design of the programme was new to the context and that systems and procedures needed to be in place that aligned with internal procurement and contracting standards. The process was initially burdensome on business leaders, who were not accustomed to IFAD requirements, and eventually IFAD simplified the documentation requirements and verification process.
130. **IFAD missed the opportunity to support RCDP in developing a robust M&E system for data collection and analysis of key programme impact areas, beyond activity tracking.** Such analysis would have clearly helped the programme provide seasonal and year-on-year value chain performance analysis across the country that would have been a valuable service to IFAD, the Government and private stakeholders. Such a resource would have also contributed to the next stage of Bosnia and Herzegovina's efforts to align with the European Union's CAP by providing evidence for sectoral performance.
131. In addition, IFAD could have done more to support elevating the M&E system to ensure consistency in approaches between the two project implementation units. This would have guaranteed consistency in approaches for studies such as baselines and gender and youth diagnostic studies so that critical issues such as methodology and tools were uniform on key programme areas to enable aggregation of results. This is important, as IFAD plays the role of aggregation within the programme since each entity project coordinating unit works independently. Investing in M&E support during implementation should have been given higher priority.
132. At the request of the Government, after the COVID-19 outbreak, IFAD responded promptly to provide emergency packages to avoid disruptions in the food supply. With approval from IFAD, the programme repurposed some of its funds to cover the COVID-19 emergency livelihood support starter packages and put in place special procedures for their speedy procurement. This rapid response to a vulnerable segment of society made stakeholders hold IFAD in even greater esteem as being cognizant of the livelihood concerns of vulnerable rural people. However, no data was collected on this beneficiary segment to tell the full impact of the response.
133. **IFAD's decision to cancel the second cycle presented a significant challenge and risk of not meeting the programme objectives that were long term in nature.** Partners felt they were not consulted in this decision, and the implementing units had to find a way to meet the targets in 5 years as opposed to the initial design of 10. The reduction of the programme lifetime did not reflect well on IFAD and its long-term objectives in the country. Value chain development, together with the governance structures that were to be established alongside it, require a long-term approach to be established, develop and be sustainable beyond programme support. Five years is not enough to achieve sustainable, functional value chain governance systems in a country with a complex governance structure and two-entity

implementation approach. The soundness of the entire design was in part because it had a long-term approach.

134. In addition, IFAD should have developed clear communication and exit plans when the decision to reduce the programme funding to five years was made, in order to avert the risks of rolling back the progress that had been made in the first cycle. Even though the decision to reduce the programme to one cycle was made known early in the programme, the exit strategy was only developed towards the end of the programme. The programme managed to meet its physical targets because it adopted a geographic approach (departing from a subsector focus), downsized the starter package monetary value, and expanded the beneficiary farmer outreach.
135. **Although the original two-cycle programme design was complex and innovative in nature, it was not too prescriptive** and allowed for flexibility in implementation according to context. However, it also created a need for IFAD to provide substantial support to A/PCU with issues such as interpreting the programmatic approach, selecting workable models, and developing implementation arrangements that fit the contextual specifics and appropriate procurement provisions based on the business leader. Decisions on selecting the best model of business leader approach for the private sector and local government engagement in each entity were taken by A/PCU teams that had sufficient flexibility and autonomy. This still required IFAD to support the programme teams in simplifying and adapting administrative processes to meet the required procurement processes and policies.
136. **In summary**, IFAD conducted the required supervision missions, on site and remotely, and helped resolve procurement challenges that the programme faced. Looking at the innovative and ambitious nature of the programme, IFAD missed the opportunity to provide more support in value chain systems monitoring and in strengthening CSP capacity and subsector performance, which would have helped capture data to better inform decision-making. IFAD responded quickly to the COVID-19 pandemic with emergency starter packages; however, the cutting-off of the second programme phase posed the threat of not being able to meet the long-term outcomes of the programme. It is understandable that IFAD would want to optimize its resources in favour of poorer countries. However, it should not be at the expense of approved ongoing long-term programmes in upper-middle-income countries. Transitions in such country contexts need to be part of IFAD's long-term engagement plan with partner governments.
137. Therefore, IFAD's performance is rated as moderately satisfactory (4).

Government performance

138. Through the PSC, chaired by each entity's Ministry of Agriculture, the Government provided overall guidance to the programme at the entity level. The PSC met regularly to discuss programme implementation status, approve the annual work plan and budget, and provide general monitoring of the programme activities and their compliance with the entity government strategies and policies. The PSC was also expected to invite representatives from the private sector, producer associations and cooperatives, but this could not be verified. The inter-entity meetings (workshops) planned to take place annually did not materialize. This was a missed opportunity for knowledge exchange and learning as envisaged in the design, since each entity made its own necessary contextual modifications to the business leader approaches, each with its own merits and demerits that provide solid lessons learned for future programming.
139. **The Government showed ownership of the programme both at entity and lower administration levels.** There were examples of commitments made by the Government to endorse several strategic orientations taken up by the programme. These included **the introduction of amendments into the agricultural subsidy rule books to provide targeted support for poor smallholder producers** who

did not qualify for municipality-level subsidy programmes, which previously had a higher threshold for eligibility. Inspired by the RCDP results, several municipalities adopted an agricultural guidebook and created agriculture departments/units within their administration responsible for agriculture and rural development. In Republika Srpska, for instance, the Ministry of Agriculture (Agriculture Extension Services Department) was actively involved in supporting the APCU with various implementation arrangements, such as developing a business leader selection strategy and overseeing the transparent selection of service providers and partner institutions. They were also involved in the planning and capacity-building of the extension service provision under the business plans, and integrated it with theirs so that RCDP interventions were coordinated with other development programmes and projects.

140. **Municipalities demonstrated ownership through provision of cofinancing, in-kind support, and active involvement in the CSPs.** In both entities, the municipalities played a key stakeholder role from the very beginning of the programme (establishing geographic clusters) and through all stages of its implementation. Municipalities provided cofinancing of the starter packages under the business plans in both entities. In Republika Srpska, the cofinancing among IFAD, municipalities and beneficiaries was maintained exactly according to the programme design proportion of 40, 10 and 50 per cent, respectively, in all 72 municipalities where the programme was implemented. In the Federation of Bosnia and Herzegovina, the share of the total cofinancing was slightly over 5 per cent, whereas beneficiary farmers' share was higher than the planned 50 per cent (at 56 per cent). From table 4, only 6 municipalities out of the total 24, in 4 clusters (out of 5,) provided cofinancing for the starter packages. The distribution of their share varied widely across municipalities (from 6 to 31 per cent), indicating different degrees of interest and financial and technical capacity.

Table 4

Municipality and cluster financing percentages by financier

Municipality, Cluster	IFAD	Municipality	Farmer
Sanski Most, Cluster 1	40%	31%	29%
Velika Kladuša, Cluster 1	40%	6%	54%
Novi Travnik, Cluster 2	40%	16%	44%
Cluster, 3	40%	0%	60%
Foča-Ustikolina, Cluster 4	38%	31%	31%
Ljubuški, Cluster 5	39%	13%	49%
Mostar, Cluster 5	38%	6%	56%
Total Distribution, all Clusters	39%	5%	56%

Source: RCDP Physical Achievements Report.

141. Municipalities in Republika Srpska provided cofinancing of the corporative collective assets for 9 business plans out of the total 13 (one warehouse was financed only by IFAD). In the Federation of Bosnia and Herzegovina, the collective assets were cofinanced by IFAD and the business leaders' counterpart producer associations, without financial contribution from the municipalities. However, for the provision of collective equipment under the business plans, three municipalities (out of four) provided cofinancing of contracts (including two municipalities where business leader contribution was zero).⁵⁶
142. **Ownership of the programme was high at local government levels,** as demonstrated by the cofinancing they contributed to the programme. A total of 74 municipalities in Republika Srpska and 64 municipalities participated in the programme and provided cofinancing of 10 per cent for the starter packages out of

⁵⁶ Infrastructure items were classified separately in the Federation of Bosnia and Herzegovina's physical achievement datasheet.

their own budgets, not from central government. In addition, other municipalities provided cofinancing for processing equipment that cooperatives purchased under the programme. In-kind support was also given to CSPs in the form of operational space, meeting rooms and requested contributions. **Despite the programme life cycle being shortened to five years, the RCDP managed to not only meet its set targets, but also exceed them.**

143. The PPE validated the PCR conclusions related to overall government performance during RCDP implementation. Specifically, these would include the findings that the Central Ministry of Finance and Treasury of Bosnia and Herzegovina and the respective entities' ministries of finance and agriculture were proactive in fulfilling their functions during programme implementation and in compliance with the Financing Agreement law covenants. Also, the **Government adequately addressed programme supervision, the MTR and implementation support recommendations throughout programme life**, including the response to the COVID-19 food security emergency in the programme area. The provision of counterpart funding was satisfactory over the years, with a total 122 per cent contribution of the planned amount.
144. **RCDP's programming approach had a complex design that was challenging for the Government to roll out and monitor efficiently.** The large number of business leaders, municipalities and farmer organizations was difficult to monitor for both process- and outcome-level results. The absence of an integrated, comprehensive programme management information system resulted in fragmentation of data and lack of linkages between different data points of the programme and implementing partners. As was noted by the PCR, the M&E system was mostly collected by M&E officers for reporting purposes only, and less as a tool for supporting the management decision-making process. A significant missed opportunity under the data collection area was lack of appreciation (and due acknowledgment thereof) of the benefits and potential value of the accumulated data, information and various analytics at the level of the private sector (business leaders and smallholder farmers), the value chain subsector, and the cluster that was at the programme's disposal. This value could have been monetized (realized) in the future in different ways and levels, such as satisfying demanding data requirements for the various EU support programmes in agriculture and rural development, as a data warehouse in exchange for other data, or as direct input for policymaking, research and other purposes.
145. The programme M&E system was adequate for tracking basic activity- and output-level data. However, aspects of results-monitoring that would have helped tell a more comprehensive story of programme impact around youth and gender participation were missing. The programme conducted baselines led by each implementing unit, but the methodologies were different, making aggregation difficult. Implementing units needed more external support scope and a better understanding of the complexity of the M&E system to make the most of the knowledge gained through the innovative and novel approach, since such a system did not exist in Bosnia and Herzegovina.
146. **In summary**, the Government fulfilled its obligation to implement and provide oversight to the programme through PSC meetings. Despite the programme lifetime being reduced, outreach targets were still met and exceeded. Ownership was displayed at both entity and local levels, especially in the form of cofinancing and in-kind support provided to the programme. However, the governmental entities, together with IFAD, could have done more in terms of elevating the M&E system beyond activity tracking, also to showcase how well the targeted value chain subsectors were performing.
147. Overall, government performance is rated as satisfactory (5).

B. Assessment of the quality of the programme completion report

148. **Scope.** The PCR covered the core evaluation criteria of relevance, effectiveness, efficiency and sustainability. In addition, the PCR addressed rural poverty impact and criteria such as gender, innovation, environment and climate change, targeting, and access to markets. Finally, it assessed the performance of IFAD and the Government. The analyses under the criteria all reinforce one another and are consistent. The scope of the PCR is rated **satisfactory (5)**.
149. **Quality.** The quality of the PCR was good. It presented a sound analysis on many programme aspects and provided a critical rationale for the success or lack thereof in some programme areas. It also identified shortcomings in M&E, especially around issues of aggregation, given that entities used different methodologies that made aggregation of programme information difficult. The PCR report describes, but somewhat downplays, the complexity and challenges of implementing one programme design and how, due to the unique administrative structure of the country, the initiative was implemented as two projects. Quality is rated **satisfactory (5)**.
150. **Lessons.** The lessons learned presented cover the important aspects of the programme and are valuable and consistent with PPE findings. Some of the areas discussed include lessons on CSPs and how to make them effective, the need to incentivize private sector participation, increasing the power of farmer organizations through cost-benefit sharing, realism regarding the prospect for sustainability of new farmer organizations, and effective integration of farmers into value chains. The lessons of the PCR are rated **satisfactory (5)**.
151. **Candour.** The PCR makes a point to balance the narrative by bringing out both the positives and negatives. However, in some sections, this balance is not reflected in the ratings (e.g. efficiency). For instance, the downside effects (i.e. inability to create sustainable incomes) of a one-cycle starter package and reduced starter package sizes were not fully discussed. The issue of shared benefits from collective assets was also not highlighted. The PCR does not mention areas where IFAD could perform better, such as being more proactive to simplify procurement procedures to align with the programme model; nor did it indicate areas where IFAD and the Government could have strengthened the M&E system. The early exit and resulting exit strategy issues are well noted, but not discussed at length. Candour is therefore rated **moderately satisfactory (4)**.

IV. Conclusions and recommendations

A. Conclusions

152. **RCDP presented a public–private partnership model that proved successful at linking smallholder farmers in well-performing value chains and high-value markets.** This was facilitated through starter packages to beneficiaries following the business leaders' business plans, which were a form of contract farming. Key success factors in this model include: (i) a clear geographical strategy in design, which was followed through during implementation with some adaptation; (ii) multi-stakeholder value chain governance platform institutions, to build trust and transparency; and (iii) local government involvement. RCDP consistently followed a tripartite cooperation model, seeking the active engagement of the private sector and local authorities (at municipality and canton levels) in identifying and mobilizing smallholder target groups. This cooperation model was shown to yield positive results during the programme and post-programme.
153. **Anecdotal evidence suggests that many farmers continue to benefit from the business leader–farmer contract farming relationship and associated formal and informal networks, even post-programme support.** At the same time, a more accurate estimation of the proportion of such farmers and the degree and substance of the benefits enjoyed from the business leader network could not be provided.^{57,58}
154. **The establishment of CSPs was a game changer in bringing stakeholders together to create an enabling environment for inclusive value chain and subsector development.** The CSPs facilitated dialogue, networking and advocacy, and strengthened business leader negotiation with municipalities and input suppliers. They supported programme activity implementation and coordination in their respective areas, in both entities. In several cases, the platforms demonstrated the ability to organize policy discussions on value chain and subsector issues. However, they have not yet demonstrated their full potential in public–private partnership and policy dialogue at the subsector level, including strengthening relevant institutions and subsector performance monitoring and accountability. Efforts to become self-sustaining are being undertaken, such as payment of membership fees. However, organizational capacity, support and visioning are at different levels, and most CSPs not yet sustainable without IFAD-, entity- or local government-financed support.
155. **The programme M&E system was not up to the full ambitions of the programme; therefore, certain elements in terms of policy influence and value chain governance were not achieved.** The M&E system was inadequate for evidence-based business decision-making and knowledge accumulation in value chain and subsector development. The data collection within the system did not incorporate private and public actors and partners to generate, collect and review information on their own activities and value chains, and did not facilitate the flow of information from the field to the decision makers. Disaggregated information on programme effectiveness and impact on different target groups was also not captured in the M&E system. Mainstreaming themes such as disability were not captured by the programme, as they did not consider it a priority for targeting, let alone reporting. Overall, monitoring of activities was not sufficiently participatory (complicated in part by COVID-19 restrictions) to effectively foster programme ownership and shared learning processes.
156. **Entities pursued different pathways in the implementation of extension services and each had its merits;** one ensured a good incorporation of private sector engagement and the other of public extension services. The support to public extension service provision in Republika Srpska, and a wide range of Training of

⁵⁷ Based on PPE field interviews and focus group discussions.

⁵⁸ According to the PCU exit strategy document, some farmers who had received starter packages in the past are being provided by the business leaders with financing for the inputs package costs (at an interest rate of 5 per cent).

Trainers programmes (in both entities), was significant. However, this was still not sufficient to ensure service continuity and outreach post-programme, as it was constrained by the lack of well-organized, readily available high-quality private and public advisory services. The high dependency on private advisory services sourced by business leaders (predominantly used in the Federation of Bosnia and Herzegovina) focused mainly on their primary role to ensure that farmers are growing the right quality and quantity of produce as per contract. Outside of the contract, farmers have to individually source and pay full market price for such services. Developing relevant institutions' capacities in the subsectors to ensure adequate supply of specialized services was challenged by the limited availability and capacity of these institutions.

157. **The solid results from programme experience that IFAD has accumulated create prospects to explore continuous support to the Government to use lending resources in arriving closer to the European Union's CAP.** EU accession candidacy status obtained in 2022 grants Bosnia and Herzegovina access to funding that can improve its agriculture and rural development aims. Different stakeholders acknowledged that Bosnia and Herzegovina is not yet ready to take advantage of these opportunities due to a lack of a unified agriculture policy and the stringent requirements for the submission of proposals for these types of funds. Therefore, IFAD, which has been a long-term partner in agriculture and rural development, stands to add value to this process with its technical expertise and experience in the country.

B. Recommendations

158. **Recommendation 1. IFAD should provide a clear long-term strategy on how it could ensure continuity of its support to rural poverty eradication in upper-middle-income countries such as Bosnia and Herzegovina.** Such a strategy should clarify what IFAD's continued value addition will be and the innovative features it can bring in that context. It should also envisage long-term engagement in loans, grants and non-lending activities. This would make transition predictable and gradual and would prevent an action such as cutting off a programming cycle for a programme whose merit for board approval was based on being a 10-year development design. Value chain systems development requires a long-term approach, and five years is not enough to achieve sustainable, functional value chain governance systems in a country with a complex governance structure and two-entity implementation approach. The lack of such a long-term/transition strategy development was disruptive to partners and to the design approach. The reduction of the programme lifetime did not reflect well on IFAD and its long-term objectives in the country. Bosnia and Herzegovina has a country strategic note in place from 2021 to 2023; thereafter, a new RB-COSOP is set to be developed, and this is an opportunity to clarify IFAD's long-term strategy in the country.
159. As part of this long-term strategy, **IFAD should re-assess its engagement in Bosnia and Herzegovina to include support to dialogue and participation in helping the country reach EU accession alignment with the CAP.** EU accession and the opportunities it provides for agriculture and rural development are the more desirable and sustainable approaches of working to strengthen this sector in Bosnia and Herzegovina, more so as IFAD is wanting to optimize its investment in poorer countries. Given IFAD's mandate and history in the country, it would be well placed to be a partner for knowledge, capacity strengthening and learning.
160. **Recommendation 2. The Government should develop systems to track value chain performance and governance arrangements of established multi-stakeholder platforms (CSPs and starter package and subsector platforms) beyond a programme lifetime.** While RCDP helped get this started, systems need to be established to hold value chain governance structures accountable and transparent in their performance for the long term, beyond just a programme. The current CSP and starter package structures are supported by IFAD programme

funding (first RCDP, and currently READP). Longitudinal studies can be carried out regardless of source of funding, focusing on the performance of these institutions so as to continuously improve their performance and ensure they are fit for purpose, given that each of the current 12 CSPs faces different dynamics and challenges.

161. **Recommendation 3. READP should learn from RCDP lessons** in aspects such as M&E (common definition of logframe indicators, unified tools and methodologies across entities, and results monitoring), organizational and institutional development, and value chain performance tracking. These are described in the paragraphs that follow.
162. Future project M&E systems should ensure robust data collection, management and analysis to take advantage of the potential value of data on value chain and subsector performance spread among various implementing partners, business leaders and beneficiary farmers. Value chain data is important for all partners, and their data must be systematically collected and shared among stakeholders. M&E should incorporate a data analyst function supported by an integrated management information system capable of consolidating the collected data from multiple sources and producing structured analytical reports on performance and trends that can inform decision-making. This data will be useful for developing an analysis of framework conditions for the value chains, elaborating strategies and action plans based on prevailing market trends, developing products, and conceiving and implementing pilot measures to introduce innovations.
163. Organizational and institutional capacity development plans should be elaborated and included into cluster development strategy documents for each CSP.⁵⁹ This would entail conducting individual organizational diagnostic assessments that evaluate aspects of governance, strategic planning, human resources, programmes and services, membership, policy advocacy, financial management, and communications.⁶⁰ Based on the assessment results, corresponding capacity development plans should be produced with the consultation of key stakeholders. These measures should be taken with the aim to empower CSPs for their three main functions – marketing, value chain dialogue and political dialogue – and would help ensure financial and organizational sustainability to gradually reduce dependency on A/PCU support to keep afloat.
164. **Recommendation 4. IFAD and the Government should ensure that important lessons from the different institutional arrangements deployed by the two entities are documented in order to provide input into policy decision-making.** This would include institutional arrangements for extension services support delivery, for which Republika Srpska utilized public-based extension services and Bosnia and Herzegovina deployed private-based extension services. Other key areas of learning would be on the types of business leaders the programme employed, the strengths and challenges that came with such a diverse group, and the steps taken to transform small producer organizations to apex organizations or registered small or medium enterprises. Incorporating such learnings will ensure that salient aspects of a value chain enabling environment, where private–public partnership is at the fore, are addressed. Each entity’s own adjustments in implementation around business leader arrangements, agriculture extension support and other mechanisms employed, all feed into success, and hence need to be highlighted for future lessons in order to have a “fit for purpose” model.

⁵⁹ IFAD’s tool for multi-stakeholder platforms can be used for this purpose.

⁶⁰ Several methodologies could be analysed and the optimal one selected, similar to the one suggested by the project design report “The Integral model of Diagnosis for Co-operatives and Associations (MIDCA)”.

Basic project data

			Approval (US\$ million)		Actual (US\$ million)	
Region	Near East, North Africa and Europe Division	Total project costs		31.82		32.4
Country	Bosnia and Herzegovina	IFAD loan and percentage of total	12.31	39%	12.25	38%
Loan number	2000001440	IFAD grant	0.52	2%	0.5	1.54%
Type of project (subsector)	Value Chains	Government	1.694	5%	2.46	7.60%
Financing type	Loan and Grant	Municipalities	0.86	3%	0.86	2.65%
Lending terms*	Ordinary	Private Sector/ Beneficiaries	16.43	52%	16.34	50.43%
Date of approval	12/12/2015					
Date of loan signature	23/03/2016					
Date of effectiveness	16/03/2017					
Loan amendments	None	Number of beneficiaries: (if appropriate, specify if direct or indirect)	Total: 31 026 Males: 19 522 Females: 11 504 Youth: 7 077			
Loan closure extensions	None					
Country programme managers	Mikael Kauttu Roberto Longo	Loan closing date	30/09/2022			
Regional director(s)	Dina Saleh	Mid-term review	21/09/2020			
Lead evaluator for project performance evaluation	Enala Mumba	IFAD loan disbursement at project completion (%)	100%			
Project performance evaluation quality control panel	Fabrizio Felloni Johanna Pennarz	Date of project completion report	22/03/2023			

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition	Mandatory	To be rated
Impact	<p>The extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.</p> <p>The criterion includes the following domains:</p> <ul style="list-style-type: none"> changes in incomes, assets, and productive capacities changes in social / human capital changes in household food security and nutrition changes in institution and policies <p>The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups)</p>	X	Yes
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which: (i) the objectives of the intervention/ strategy are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions / strategy*, the targeting strategies adopted are consistent with the objectives; and (iii) the intervention / strategy has been (re-) adapted to address changes in the context.	X	Yes
Effectiveness	<p>The extent to which the intervention/country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups</p> <p>A specific sub-domain of effectiveness relates to <u>Innovation</u>, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction.¹</p>	X	Yes
Efficiency	<p>The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way.</p> <p>"Economic" is the conversion of inputs (e.g., funds, expertise, natural resources, time) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).</p>	X	Yes

¹ Conditions that qualify an innovation: newness to the context, to the intended users and the intended purpose of improving performance. Furthermore, the 2020 Corporate-level evaluation on IFAD's support to innovation defined transformational innovations as "those that are able to lift poor farmers above a threshold, where they cannot easily fall back after a shock". Those innovations tackle simultaneously multiple challenges faced by smallholder farmers. In IFAD operation contexts, this happens by packaging or/ bundling together several small innovations. They are often holistic solutions or approaches applied or/ implemented by IFAD supported operations.

Criteria	Definition	Mandatory	To be rated
Sustainability of benefits	The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and be scaled-up) by government authorities, donor organizations, the private sector and other agencies.	X	Yes
	Note: This entails an examination of the financial, economic, social, environmental and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs.	X	Yes
	<u>Scaling-up</u> * takes place when: (i) bi- and multilateral partners, private sector, communities, adopt and diffuse the solution tested by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested by IFAD (from practice to policy). *Note that scaling up does not only relate to innovations.		
Other performance criteria			
Gender equality and women's empowerment	<p>The extent to which IFAD interventions have contributed to better gender equality and women's empowerment. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision-making; workload balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality.</p> <p>Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).</p> <p>Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality.²</p>	X	Yes
Specific domain of sustainability: <i>Environment and natural resources management and climate change adaptation.</i>	The extent to which the development interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture.	X	Yes
Performance of partners (assessed separately for IFAD and the Government)	The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported design, implementation and the achievement of results, conducive policy environment, and impact and the sustainability of the intervention/country programme.	X	Yes
	The adequacy of the Borrower's assumption of ownership and responsibility during all project phases, including government and implementing agency, in ensuring quality preparation and implementation, compliance with covenants and agreements, supporting a conducive policy environment and establishing the basis for sustainability, and fostering participation by the project's stakeholders.	X	Yes

² Evaluation Cooperation Group, "Gender. Main messages and findings from the ECG Gender practitioners' workshops) (Washington, D.C., 2017), <https://www.ecgnet.org/document/main-messages-and-findings-ieg-gender-practitioners-workshop>

Rating comparison^a

Criteria	Programme Management Department rating	Project Performance Evaluation rating	Rating disconnect
Rural poverty impact	5	5	0.00
Project performance			
Relevance	5	5	0.00
Effectiveness	5	5	0.00
<i>Innovation</i>	5	4	-1.00
Efficiency	5	5	0.00
Sustainability of benefits	4	4	0.00
<i>Scaling up</i>	5	4	-1.00
<i>ENRM/CCA</i>	4	4	0.00
Project performance ^b			
IFAD-specific performance criteria			
Gender equality and women's empowerment	5	4	-1.00
Overall project achievement	4.77	4.44	-0.33
Performance of partners ^d			
IFAD	5	4	-1.00
Government	5	5	0.00
Average net disconnect			-0.36

a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

b Arithmetic average of ratings for relevance, effectiveness, efficiency, and sustainability of benefits.

c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

d The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the Project Completion Report quality

	IOE rating
Scope	5
Quality (methods, data, participatory process)	5
Lessons	5
Candour	4
Overall rating of the Project Completion Report	4.75

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.a. = not applicable.

Evaluation framework

Criteria & overarching evaluation questions	Specific sub-questions for this PPE	Judgement criteria/indicators of success	Data sources and methods
Relevance			
<p>Was the intervention/ programme relevant and aligned with:</p> <p>(a) the country's development needs and challenges as well as national policies and strategies; (b) IFAD's relevant strategies and priorities; (c) the needs of the beneficiaries and tailored to very poor or marginalized people or special categories.</p> <p>Was the design realistic in terms of meeting the context and implementation capacity?</p> <p>Was the design re-adapted to changes in the context (if applicable)?</p>	<p>Were the programme's Cluster and Value Chain approaches aligned with national policies and level of Government's ownership for value chain development?</p> <p>Was the programme supportive towards the realization of the country's key policies and rural/agricultural development frameworks?</p> <p>Did the programme employ clear strategies and criteria in targeting the poorest areas and groups?</p> <p>Did the programme design build in synergies with the on-going IFAD supported programmes?</p> <p>Were IFAD's priority themes (reflected in RB-COSOP 2013 for Bosnia and Herzegovina) namely: to enable poor rural people to improve their food security and increase their incomes through support to non-commercial and commercial farmers, and to on- and off-farm enterprises – adequately addressed by the programme?</p> <p>What was the quality of value chain analysis and logic of intervention?</p> <p>Were the objectives and time frame realistic, were key risks identified and addressed?</p> <p>To what extent did the design of the RCDP take into consideration the staffing and capacity levels of the private sector service providers?</p> <p>Were RCDP's institutional arrangements for management, coordination and oversight appropriate for the interventions?</p> <p>What were the common programme management issues related to the PCU (in the Federation of Bosnia and Herzegovina) and APCU (in Republika Srpska)?</p> <p>To what extent was the programme design flexible in accommodating important changes during implementation? How relevant were the design changes?</p>	<p>Evidence of COSOP priorities and themes in the RCDP design reports and documents.</p> <p>Evidence of programme contribution enabling environment for inclusive sub-sector development</p> <p>Evidence of improvements in the private-public partnership</p> <p>Evidence of the programme design being relevant to the context in which it was implemented.</p> <p>Evidence of the capacity of the different institutions to delivery on their mandate to enable smallholder inclusion in productive value chains</p> <p>Evidence of design changes which were driven by the changing context.</p>	<p>Data sources</p> <p>RCDP Design Report</p> <p>RB-COSOP 2013 for Bosnia and Herzegovina</p> <p>Supervision mission reports</p> <p>Project completion report (PCR)</p> <p>Mid-term review report</p> <p>Country visits and desk review report: Bosnia and Herzegovina</p> <p>Policy documents</p> <p>PIM</p> <p>Data collection methods</p> <p>Desk review checklists</p> <p>Key information interviews (KIIs)</p> <p>Focus group discussions (FGDs)</p>
Effectiveness			
<p>Were the objectives of the programme achieved or likely to be achieved at the time of the evaluation?</p> <p>What unexpected programme results, both positive and/or negative, were observed?</p> <p>To what extent did the programme or project promote innovations that support with stakeholders' needs or challenges they faced?</p> <p>Were the innovations inclusive and accessible to a diversity of farmers (in terms of gender, youth, and</p>	<p>How and to what extent did RCDP interventions contribute towards the programme's intended outcomes? What worked well and why? What did not work well, and why?</p> <p>Did the Smallholders Platforms at cluster levels improve value chain coordination? If so, how? Give examples.</p> <p>Did the Smallholders' Platforms at subsector levels improve the subsector governance, inform public policies and orient investments in order to warrant long-term subsector competitiveness?</p> <p>What was the effectiveness of the technical and business development services made available at local and entity levels?</p>	<p>Evidence of results compared to the baseline</p> <p>Smallholder farmers continued involvement with value chain partners and continued engagement with their cluster platforms</p> <p>Evidence of utilization of AR4D outputs in policy & strategy.</p> <p>Evidence of use of continued TA and BDS services</p> <p>Farmer households adopted technologies and continue to work in their subsector</p> <p>Comparison of PCR results of capacity development between Republika Srpska</p>	<p>Data sources</p> <p>RCDP Design Report</p> <p>Supervision mission reports</p> <p>Project completion report</p> <p>Mid-term review report</p> <p>Policy documents</p> <p>Data collection methods</p> <p>Desk review checklists</p>

Criteria & overarching evaluation questions	Specific sub-questions for this PPE	Judgement criteria/indicators of success	Data sources and methods
diversity of socio-economic and ethnic groups)?	<p>Did the improved policy and institutional environment result in attracting smallholders and investors to the selected subsectors?</p> <p>To what extent the project RCDP contributed to the Enabling Environment for Inclusive Subsector Development?</p> <p>Did the development and implementation of inclusive business proposals contribute to poor farmers, women and youth integration into competitive and rewarding fruit, vegetable and NTFP value chains?</p> <p>To what extent the project RCDP contributed to sustainable inclusion of poor smallholders and vulnerable groups in selected subsectors?</p> <p>What factors contributed to such programme achievements? What were the key challenges?</p> <p>What innovations were introduced by RCDP, implemented and scaled-up? Which of the innovations were the most successful and why? Which of the innovations were the least successful and why?</p> <p>The Republika Srpska and the Federation of Bosnia and Herzegovina used different approaches for delivery of training and support. What is the comparative effectiveness of the two approaches, taking into consideration their differing socio-political and capacity contexts?</p>	and the Federation of Bosnia and Herzegovina and evidence of continuation of support by service providers	<p>Key information interviews</p> <p>Focus group discussions</p> <p>Semi-structured interviews</p>
Efficiency			
<p>What is the relation between benefits and costs (e.g., net present value, internal rate of return)? How does it compare with similar interventions (if the comparison is plausible and with the programme design metrics)?</p> <p>Are unit costs of specific interventions in line with recognised practices and congruent with the results achieved?</p> <p>Are programme management cost ratios justifiable in terms of intervention objectives, results achieved, considering contextual aspects and unforeseeable events?</p> <p>Were the results achieved in line justifiable for the programme timeframe? Also, how did the shortened time frame from two 5-year cycles to one affect the programme efficiency.</p>	<p>Were there any major implementation problems around value chains? Why?</p> <p>Do government partners and management teams have sound understanding of what is required to run value chain components?</p> <p>Were the financial, human and technical resources adequate and were they mobilized timely?</p> <p>Were the PCU/APCU sufficiently staffed, and did they have people with the appropriate qualifications?</p> <p>Were the PMU/APMU effective in executing its tasks?</p> <p>Did the various branches/departments of the government at the entity, cantonal and municipality levels provide adequate staff to implement programme activities for which they were responsible? Did these staff execute the activities for which they were mandated, timely?</p> <p>How was IFAD human resource organized and deployed to supervise and support programme implementation in both entities?</p> <p>To what extent was project's Economic Rate of Return to determine the project's overall value for money and benefits in relation to project costs achieved during the implementation of RCDP?</p>	<p>Evidence of timely start-up time and disbursement profiles for the intervention</p> <p>Level of discrepancy between planned and utilized financial expenditures</p> <p>Cost in view of results achieved compared to costs of similar projects from other organizations</p> <p>Quality of results-based management reporting (progress reporting, monitoring and evaluation)</p> <p>Management costs as a proportion of the overall project budget.</p>	<p>Data sources</p> <p>Supervision mission reports</p> <p>Project completion report</p> <p>Mid-term review report</p> <p>Data collection methods</p> <p>Desk review checklists</p> <p>Key information interviews</p>
Impact			
Has the intervention/country strategy and programme had the anticipated impact on the	To what extent and in what ways did RCDP contribute to the strengthening or the establishment of pro-poor institutions?	Evidence of institutional capacity of BFPs, BDS providers, extension service	Data sources RCDP Design Report

Criteria & overarching evaluation questions	Specific sub-questions for this PPE	Judgement criteria/indicators of success	Data sources and methods
target group and institutions and policies? Why? What are the observed changes in incomes, assets of the target group, household food security and nutrition, social/human capital and institutions and policies over the project/COSOP period? What explains those changes? What are the challenges? From an equity perspective, have very poor / marginalized groups, special categories, benefited in a significant manner?	To what extent and in what ways did RCDP contribute to the strengthening, or establishment or implementation of pro-poor policies? What contribution did RCDP made to the reduction of poverty in target areas? Please provide specific examples/evidence. Did RCDP interventions have the anticipated effects on the target groups (in particular, the poorest smallholders, women and youth)? What are the specific examples/evidence? What changes have taken place in household income and asset ownership? What explains such changes?	providers, Business Leaders, in delivering business services to smallholders and BP entities (PA's and Cooperatives) Triangulation of information to validate results and impact with the PCR Evidence of improved capacity of established platforms	Supervision mission reports Project completion report Mid-term review report Policy documents Impact studies Data collection methods Desk review checklists Key information interviews Focus group discussions Semi-structured interviews

Sustainability

To what extent did the intervention/programme contribute to longer-term institutional, environmental, social and economic sustainability to date? What is expected to continue long-term and what is not? Give examples What is the level of engagement, participation and ownership of the government, local communities, grass-roots organizations and the rural poor? In particular, did the government and/or local organizations ensure budget allocations to cover operation and maintenance? Did the programme include a realistic exit strategy? ⁶⁷ What are the post-project risks of sustainability and what solutions have been proposed? ▪ For <u>scaling up</u> : To what extent were results scaled up or likely to be scaled up in the future? Is there an indication of commitment of the government and key stakeholders in scaling-up interventions and approaches, for example, in terms of provision of funds for selected activities, human resources availability, continuity of pro-poor policies and participatory	To what extent have the RCDP models of value chain clusters (CSP and SSP) and business leaders led business plans (BPs) been conducive to sustainability? To what extent were the investments under the BP component based on long-term plans rather than being linked to the project cycle and predetermined agricultural products? Have the RCDP models and approaches demonstrated dynamism and market-orientation contributing to Value Chain development? With the cancelled second cycle, how likely the value chain clusters would be working well? To what extent will the establishment of multi-stakeholder platforms under RCDP is expected to contribute to the improvement of more stable relations in value chains as well as improve the position of the various players? Will the platforms be able to strengthen the social sustainability? What are the prospects for producers to individually participate in the platforms? Or receive a voice through the participating PAs? Moreover, it aims to improve their influence on the political arena, by engaging representatives from ministries and municipalities. The introduction of platforms under RCDP is seen as a critical project component that could address these issues and more generally improve the governance of value chains. What are the prospects of the Government commitment in supporting of the platforms, and a common long-term vision to which donors can contribute?	Existence of institutional and governance risks to programme benefits Level of technical capacity and willingness of relevant stakeholders (government, beneficiaries) relative to level required to sustain programme benefits Existence of socio-political risks to programme benefits	Data sources RCDP Design Report Supervision mission reports Project completion report Mid-term review report Policy documents Impact studies Data collection methods Desk review checklists Key information interviews Focus group discussions Semi-structured interviews
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Criteria & overarching evaluation questions	Specific sub-questions for this PPE	Judgement criteria/indicators of success	Data sources and methods
development approaches, and institutional support?	What have been the main challenges regarding sustainability of the benefits accrued from RCDP? What lessons can be learned by Government and IFAD for future programming?		
Gender equality and women's empowerment			
<p>What were the project's achievements in terms of promoting gender equality and women's empowerment, including intersectionality issues?</p> <p>In particular, were there changes in: (i) women's access to resources, income sources, assets (including land) and services; (ii) women's influence in decision-making within the household and community; (iii) workload distribution (including domestic chores); (iv) women's health, skills, nutrition?</p> <p>Were there notable changes in social norms, attitudes, behaviours and beliefs and policies / laws relating to gender equality?</p> <p>Was attention given to programme implementation resources and disaggregated monitoring with respect to gender equality and women's empowerment goals?</p>	<p>What evidence is available to indicate that the programme promoted gender equity and women empowerment at household and individual levels?</p> <p>What was the management capacity in terms of understanding gender equality as a core aspect of sustainable value chains?</p> <p>Was the RCDP's gender strategy and approach implemented and with what results?</p> <p>Did the RCDP gender strategy have any policy objectives towards improving gender equality?</p> <p>What are the differential effects (if any) of changing agriculture practices on men and women?</p> <p>What are the current social norms, attitudes, behaviours and beliefs in the community in relation to gender equity? How did this differ between the contexts of Republika Srpska and the Federation of Bosnia and Herzegovina and the approaching for addressing it in RCDP? Is there evidence of positive improvements in the RCDP implementation areas?</p> <p>Was the monitoring system responsive to provide gender-disaggregated data?</p>	<p>Evidence of changes in the gender dynamics</p> <p>Evidence of enhanced women participation in leadership and decision-making structures at the stakeholder platforms, FOs, Associations, SMEs, Cooperatives</p> <p>Evidence of equitable access to assets created by the programme including services</p> <p>Increased control of economic resources (income, assets)</p> <p>Evidence of RCDP gender policy influence.</p> <p>Evidence the RCDP monitoring system collected gender disaggregated data.</p>	<p>Data sources</p> <p>RCDP Design Report</p> <p>Supervision mission reports</p> <p>Project completion report</p> <p>Mid-term review report</p> <p>Policy documents</p> <p>Impact studies</p> <p>Data collection methods</p> <p>Desk review checklists</p> <p>Key informant interviews</p> <p>Focus group discussions</p> <p>Semi-structured interviews</p>
Performance of IFAD			
<p>How effectively did IFAD support the overall quality of design, including aspects related to project approach, compliance, and operational aspects?⁶⁸</p> <p>How proactively did IFAD identify and address threats to the achievement of project development objectives?⁶⁹</p> <p>How effectively did IFAD support the executing agency on the aspects of project management, financial management, and setting-up project level M&E systems?</p> <p>How did IFAD position itself and its work in partnership with other development partners?</p>	<p>How well did IFAD support implementation and supervision of the RCDP? To what extent was this support consistent?</p> <p>Did IFAD provide the executing agency the required financial and human resources in an adequate matter? Did IFAD do so timely?</p> <p>How effective was IFAD in identifying, addressing bottlenecks and supporting RCDP performance? (for example, the policy constraints of using vouchers)</p> <p>How effective did the IFAD Country Office and the Regional Office coordinate and provide support to RCDP interventions?</p> <p>How did the RCDP collaborate with other development partner and projects in Republika Srpska and the Federation of Bosnia and Herzegovina?</p>	<p>Evidence of adequate technical support being provided to the programme.</p> <p>Evidence of adequacy of supervision missions.</p> <p>Evidence of adaptive management and support being provided to the S3P programme.</p>	<p>Data sources</p> <p>RCDP Design Report</p> <p>Supervision mission reports</p> <p>Project completion report</p> <p>Mid-term review report</p> <p>Policy documents</p> <p>Impact studies</p> <p>Data collection methods</p> <p>Desk review checklists</p> <p>Key information interviews</p> <p>Interviews with project and development agency partners, relevant</p>

Criteria & overarching evaluation questions	Specific sub-questions for this PPE	Judgement criteria/indicators of success	Data sources and methods
			Republika Srpska and the Federation of Bosnia and Herzegovina government officials involved with RCDP and Focus group discussions Semi-structured interviews
Performance of the Government			
Did the government pay adequate attention to design quality (adhering to quality standards when available) and realistic expectations on targets and implementation capacity?	Did government (at all levels) in both entities demonstrate sufficient ownership in the design and implementation of RCDP? If so, in what ways did government do so?	Evidence of Government ownership of the RCDP programme at all levels in both entities	Data sources RCDP Design Report
Did they provide oversight and strategic guidance at design and during implementation?	How well did government (at all levels) perform in fulfilling covenants?	Evidence of sufficient government oversight.	Supervision mission reports Project completion report
Did Government comply with the loan covenant and fulfil its fiduciary responsibilities according to the loan agreement?	To what extent did government perform its required programme oversight and management?	Evidence of quality procurement processes by the Government.	Mid-term review report
To what extent did the Government demonstrate its ownership of the programme?	To what extent and how timely did government mobilize its required counterpart resources?	Evidence of follow-up on supervision missions' recommendations.	Policy documents Impact studies Data collection methods
Were management decisions supported by a functioning M&E system?	How well and to what extent did government address implementation bottlenecks? How timely did government do this?		Desk review checklists Key information interviews Focus group discussions Semi-structured interviews
	To what extent and how quickly did government address fiduciary and procurement concerns?		

List of key persons met

Government

Miroljub Krunić, Assistant Minister, Ministry of Finance and Treasury of Bosnia and Herzegovina,

Husnija Kudić, Adviser to the Minister, Ministry of Agriculture, Water Management and Forestry of the Federation of Bosnia and Herzegovina

Gordana Rokvić, Adviser to the Minister, Ministry of Agriculture, Forestry and Water Management of Republika Srpska,

Snježana Banović, Agriculture Extension Service Advisor, Ministry of Agriculture, Forestry and Water Management of Republika Srpska

Nikolina Jurić, Agriculture Extension Service Advisor, Ministry of Agriculture, Forestry and Water Management of Republika Srpska

Goran Bursać, Ministry of Agriculture, Forestry and Water Management of Republika Srpska, Head of the Department for Agriculture Extension Services

International and donor institutions

Vlado Pijunovic, National Projects Coordinator, Food and Agriculture Organization of the United Nations

Raduska Cupac, Sustainable Development Sector Specialist, United Nations Development Programme

Adilagic Nezla, Project Manager, United Nations Development Programme

Non-governmental organizations and associations

Faruk Cerić, Head of Department for Local Development Management, SERDA, Sarajevo

Boris Tadić, Representative, RC Argonet, Banja Luka

Private sector

Stevan Masarović, Consultant Agriculture Expert

Cavin: focus group discussion with five business leaders, cooperative leader and municipality representative

Kalesija: focus group discussion with six business leaders and municipality representative

Mostar: Focus group discussion with five business leaders, a cluster manager and Cooperative leader

Velika Kladusa: focus group discussion with six business leaders, cluster manager and cooperative leader (honey production)

Beneficiaries

Cavin: Focus group discussion with seven smallholder farmers

Konjic: Focus group discussion with four smallholder farmers and two business leaders

Ljubski: Focus group discussion with four smallholder farmers, an agronomist (consultant extension officer), business leader and municipality representative

Nevesinje: Focus group discussion with five smallholder farmers, three business leaders, two cooperative leaders and cluster manager

Novi Grad: Focus group discussion with six producers, a cooperative leader and cooperative agronomist

Sokolac: Focus group discussion with four producers, two business leaders, two cooperative leaders and a cluster manager

Tusla: Focus group discussion with 10 small holder producers and cluster manager

Velika Kladuša: Focus group discussion with seven small holder farmers

IFAD

Mikael Kauttu, former IFAD Country Director for Bosnia and Herzegovina and Tajikistan

Roberto Longo, Country Director for Bosnia and Herzegovina and Tajikistan

Gabriele Marchese, Country Programme Officer

Key PPE issues and questions

1. Based on initial desk review, four groups of key issues and questions to be addressed by this PPE have been identified. The list of issues addressing key thematic insights has been grouped around evaluation criteria. The list may be subject to change and fine-tuned as the evaluation unfolds and findings emerge from the data collection phase. **(A) Effectiveness and sustainability of cluster stakeholder approaches.** RCDP was designed as a 10-year 2-phased programme, which was quite challenging and ambitious in both entities (the Federation of Bosnia and Herzegovina and Republika Srpska) to implement. Although, risks and mitigation measures were well analyzed and conceptualized, the design of business plans and development of complex Value Chain Development and pro-poor multi-stakeholder platforms did require a long-term programmatic approach. As the second cycle of RCDP was cancelled, this may put at risk the project's performance in the long-term perspective.¹ PPE will assess to what extent the relevant mitigation measures have been considered in the IFAD program(s) that followed RCDP.
2. **Questions for this PPE (group A):**
 - (i) How did the change in approach of the cluster stakeholder platforms from commodity-based to geographical-based affect the project targets and results?
 - (ii) What was the effect of the change in approach of the cluster stakeholder platforms from commodity-based to geographical-based on the effectiveness and sustainability of platforms? How did it affect the results, and what is the expected impact on sustainability of the platforms?
 - (iii) To what extent did stakeholders' platforms at cluster level in each entity improve value chain coordination, production organization, mobilization of private and public sector investments, and smallholders' inclusion? How did they enhance or hinder the country level sub-sector stakeholder platforms?
3. To what extent were the stakeholders' platforms relevant at the country level in improving sub-sector governance, informing public policies and orienting investments contributing to long-term sub-sector competitiveness? Was it premature for the shortened timeframe of the project? **(B) Exit strategy: Exit strategy (institutional and technical) implications for and adaptations for changing project conditions.** According to the PCR, a project exit strategy was duly designed by each entity to ensure sustainability after project completion. Support to cluster platforms continue through the on-going IFAD project READP. PCR concurred that a number of steps have been taken by management to consolidate RCDP products and results, by mainstreaming them into routine operations of implementing partners. PPE will further examine the sustainability factors of the exit strategy and their implications for the day-to-day operation of CPs to provide support for PAs and Cooperatives, and implementation of the next phases of BPs with previously financed starter packages.
4. **Questions for this PPE (group B):**
 - (i) To what extent have the intended outcomes of RCDP been achieved within the five-year period?
 - (ii) How has the shortened timeframe affected the exit strategy and long-term sustainability of the results and impact.

¹ Bosnia and Herzegovina has been dropped from the IFAD11 (2019-2021) cycle, due to Bosnia and Herzegovina's status as an upper middle-income country with access to the EU's Pre-accession Assistance for Rural Development funding for rural and agricultural development.

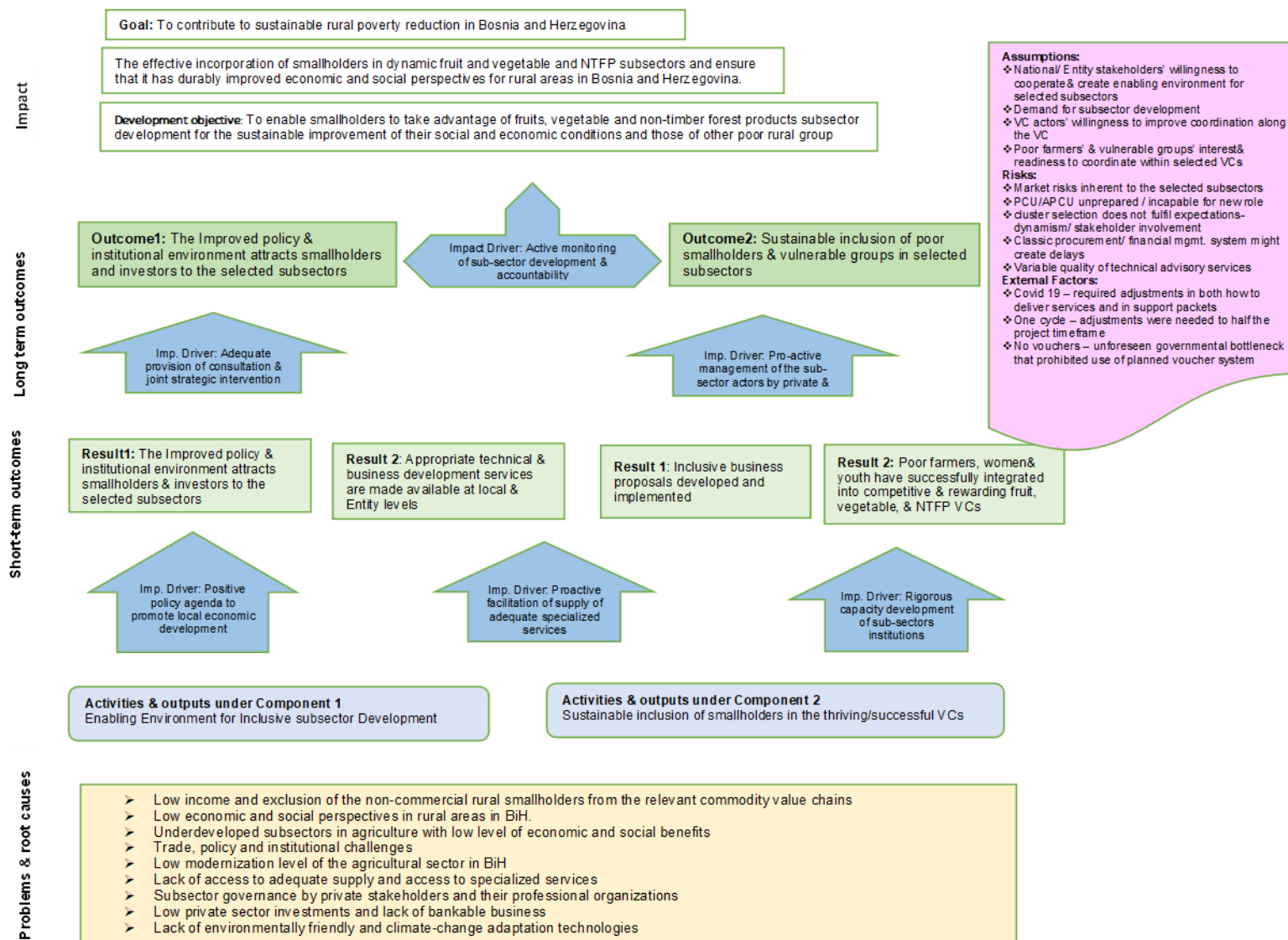
- (iii) What are the critical factors for the sustainability of the cluster sector platforms (CSP)?
5. What are the critical factors for the sustainability of the of value chain participants' cooperation, especially the starter packet (SP) beneficiaries and business leaders? **(C) Effectiveness and sustainability of differing service and capacity building models.** Institutional capacity limitations and structural differences in two entities resulted in application of different approaches and modalities of capacity development provision for the cluster platforms and deviating from the originally planned intervention logic. However, the reported results exceeding targets at the output and outcome level were interpreted as over-achievement.
6. **Questions for this PPE (group C):**
- (i) How effective were the alternative solutions in providing technical and business development services and what were key lessons from each approach?
 - (ii) To what extent were business leaders effective as a substitution to outside contracted business service providers? How sustainable has the chosen approach been?
 - (iii) What were key challenges and possible missed opportunities in providing targeted, business-oriented technical assistance to rural enterprises (in marketing, export promotion, licensing etc.)?
 - (iv) To what extent did cluster stakeholder platforms manage to safeguard smallholders' interests in the value chain partnerships with the private sector?
7. **(D) Integration of women and poor into commercial value chain clusters and services. 4-Ps approach with the aim of developing pro-poor value chain clusters.** RCDP design took the 4-Ps approach with the aim of developing pro-poor value chain clusters.² Cluster Stakeholder Platforms involving farmer organizations FOs, processors, wholesalers, exporters, local economic development agencies and other donor-supported projects were formed and tasked with developing Cluster Development Plans and priorities for policy dialogue which are then taken up in stakeholder platforms at the entity and state level. Agribusinesses, coops and PAs (leaders) were invited to submit business plans for inclusive VCD, in line with Cluster Development Plans, which the project and local governments then were supposed to provide matching grants for.³ The project reports do not provide sufficient assessment of this aspect.
8. **Question for this PPE (group D):**
- (i) To what extent were the starter packages successful in integrating very poor households in commercial value chains?
 - (ii) Was the RCDP model effective in addressing the access to finance needs of the starter package smallholder beneficiaries? If so, to what extent, and if not, why?
 - (iii) To what extent did cluster stakeholder platforms manage to safeguard smallholders' interests in the value chain partnerships with the private sector?
 - (iv) To what extent did the project contribute to the empowerment of women by getting involved in decision-making and participation in the BPs? What were the examples of "active" participation?

² A marketing concept that summarizes the four key factors of any marketing strategy. The four Ps are: product, price, place, and promotion.

³ Activities eligible for support are similar to those in RLDP and RBDP, but all activities must be linked to development of the value chain cluster. Subsectors for RCDP are fruits, vegetables, NTFPs and (to an extent) dairy, but the specific crop to invest in is left to leaders to decide, depending on market demand.

- (v) To what extent did the implementation of the inclusive 4-P approach result in participation of the poor farmers in the value chain decision-making process? What economic implications did this participation demonstrate at the PA and Cooperative levels?

Theory of change

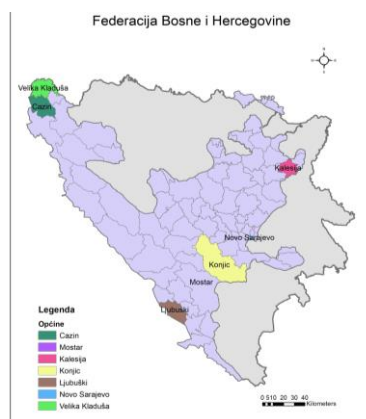


Fieldwork itinerary

PPE ITINENARY FOR MEETINGS AND FIELD VISIT - PCU OFFICE					
DATE	LOCATION	MEETINGS	Time	Stakeholder	VCs
March 6, 2023 Monday	Sarajevo	Meetings with PCU and Governmental representatives	8:30 - 10:00	PCU staff	
			10:00 - 12:30	Ministry of Finance & Treasury	
			13:30 - 16:00	Federal Ministry of agriculture	
March 7, 2023 Tuesday	Sarajevo	Government & Stakeholders	9:30 - 12:00	Representatives of Municipalities (Municip. Foča, Prača & Goražde)	
			13:00 - 16:00	SERDA	
March 8, 2023 Wednesday	Živinice (Cluster 3)	Focus group (Kornišon Bosnia and Zlatna dolina)	09:30 - 12:00	Representatives of Municipalities, BL, farmers, FOs, CSPs	Gherkin, Greenhouse and open field
	Gračanica (Cluster 3)	Focus group (Voćni rasadnik, ZZ Gračanka)	14:30 - 16:30	Representatives of Municipalities, BL, farmers, FOs, CSP members	Gherkin, Pepper Greenhouse
March 9, 2023 Thursday	Ljubuški (Cluster 5)	Focus group (Plodovi zemlje and Poljosjeme)	10:00 - 12:30	Representatives of Municipalities, BL, farmers, FOs, CSP members	Potato (open field, greenhouses, honey)
	Mostar (Cluster 5)	Focus group (Jaffa Komerc and MM)	14:00 - 16:30	Representatives of Municipalities, BL, farmers, FOs, CSP members	
March 10, 2023 Friday	Velika Kladuša (Cluster 1)	Focus group (Agrovelić, Agropilot, Bašo, VK Matica)	12:00 - 16:00	Representatives of Municipalities, BL, farmers, FOs, CSP members	Gherkin, Berries, Bee keeping
March 11, 2023 Saturday	Cazin (Cluster 1)	Focus group (Agrodar, Amanita)	09:00 - 13:00	Representatives of Municipalities, BL, farmers, FOs, CSP members	NTP, MAP
March 11, 2023 Saturday	Bihać - Banja Luka		15:00 - 17:00	Traveling of Evaluation team to Banja Luka	

RCDP PPE Mission (March 2023) - Mission Schedule (RS)

Date	Time	Activity	People to meet	Location/ Place	Value Chain	Remarks
March 13 - Monday	08:30	Pick-up at the hotel	Enala, Lasha, Jasmin	Hotel		
	9:00-11:00	Meeting at the APCU	APCU team members	RS Ministry of Agriculture, Banja Luka		PPE mission team complete
	12:00-14:30	Interview with key informants	Agricultural Extension Service Department	RS Ministry of Agriculture, Banja Luka		One part of the PPE mission team
	14:00-16:00	Interview with key informants	Ministry of Agriculture representative	RS Ministry of Agriculture, Banja Luka		One part of the PPE mission team, interpretation not needed
	14:00-16:00	Follow-up meetings with APCU team (optional)	APCU team members	RS Ministry of Agriculture, Banja Luka		One part of the PPE mission team
March 14 - Tuesday	09:00-11:00	Interview with key informants	Argonet (Boris Tadic)	Banja Luka		One part of the PPE mission team, interpretation not needed
	09:00-10:30	Interview with key informants	Municipality representatives	Laktasi	Greenhouses, fruit, vegetables, gherkins	One part of the PPE mission team
	11:00-13:00	Interview with key informants	Technical specialist (vegetable)	TBD	Greenhouses, vegetables	One part of the PPE mission team, interpretation not needed
	11:00-13:00	Focus group discussions	Business leaders	Laktasi/Trn	Greenhouses, fruit, vegetables, gherkins, cereals	One part of the PPE mission team
	13:00-16:00	Focus group discussions	CSP members	Laktasi/Trn	Greenhouses, fruit, vegetables, gherkins, beekeeping	PPE mission team complete
March 15 - Wednesday	09:30-12:00	Focus group discussions	Beneficiary farmers, business leaders	Novi Grad	Gherkins, berries, fruit, vegetables, herbs	
	13:00-15:00	Focus group discussions	Business leaders, CSP members	Prijedor	Fruit, berries, vegetables, cereals	
	16:00	Travel to Nevesinje				Overnight in Nevesinje
March 16 - Thursday	10:00-12:00	Focus group discussions	Beneficiary farmers, business leaders	Nevesinje	Vegetables, livestock, beekeeping, fruit, berries	
	12:00-15:00	Focus group discussions	CSP members, municipality representative	Nevesinje	Vegetables, livestock, beekeeping, fruit, berries	
	15:00	Lunch and travel to Sarajevo				Overnight in Sarajevo
March 17 - Friday	09:00	Travel to Sokolac				
	10:00-14:00	Focus group discussions	Beneficiary farmers, CSP members	Sokolac	Greenhouse, fruit, livestock, beekeeping, berries	
	14:00	Wrap-up meeting	APCU team members			
	15:00	Travel back to Sarajevo and home				



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