



FAI PROJECT

**"INCLUSIVE AGRIBUSINESS VALUE
CHAINS FOR SUSTAINABLE
DEVELOPMENT OF RURAL AREAS IN
BOSNIA AND HERZEGOVINA AND
ALBANIA"**

M&E FINAL REPORT
Executive summary

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**ACTION RESEARCH
FOR CO-DEVELOPMENT**

Executive Summary – M&E Final Report (June 2018)

Introduction

FAI – “Inclusive Agribusiness Value Chains for Sustainable Development of Rural Areas in Bosnia and Herzegovina and Albania” (“Filiere Agricole Inclusive per uno sviluppo sostenibile dei territori rurali in Bosnia Erzegovina e Albania”) is an innovative and complex project, funded by Banca Intesa Sanpaolo Foundation and implemented by Oxfam Italia between April 2015 and April 2018. The project’s objectives were: 1) strengthening the productive and commercial capacities of agricultural cooperatives and associations; 2) introducing and strengthening inclusive and participatory governance models in the target areas, both in cooperatives and in local institutions; 3) strengthening the capacity of policy dialogue between cooperatives and other local development agents, as well as between local and national authorities.

As many other projects aiming at promoting the development of agricultural value chains, the whole project has been characterized by a certain degree of complexity. The involvement of several stakeholders and the presence of factors outside the control of the project itself (e.g. market and climatic conditions) have clearly influenced the trajectories of implementation and development, requiring a constant ability to anticipate and adapt to new scenarios.

In **Bosnia and Herzegovina**, the project has been implemented on two levels: at local level in the municipalities of Ustikolina, Goražde and Konjic, supporting both target agricultural organizations (i.e. *VIP Drina Cooperative*, *Odmor Na Selu Association* and *OPZ Konjic Cooperative*) and other local authorities and civil society partners (including, for example, *Goražde Business Center*, *ALDI Association*, the *Tourist Board of BP Canton – Goražde*, the *Women Association “Ustikolina”* and *Ustikolina House*); at central level, in Sarajevo (where the office of Oxfam Italia is located) with the activities carried out for the campaign of advocacy and the design of a policy paper in collaboration with the *Association Women of Business in BiH*. In **Albania** the activities have been implemented in the prefecture of Shkoder and in the municipality of Malesi and Madhe, where the *Reçi Prodhimtar Cooperative* is located; the advocacy campaign and the policy paper have instead seen the involvement of the *Legal Centre for Civil Initiatives (QNLQ)*, active throughout the Albanian territory.

Given the complexity of target areas and the multidimensional and multi-actor character of the approach, the project adopted a rigorous but flexible monitoring and evaluation system, able to encourage a real and effective **process of accountability** and of **evidence-based learning for all the actors involved**. The present evaluation – conducted by **ARCO research centre** (*Action Research for CO-development*) – was based i) on the desk review of project documents (bi-annual and annual reports) and on internal monitoring of expected results through selected indicators of reference; ii) on the data and information collected through the conduction of an independent evaluation mission by ARCO in April 2018. The final evaluation mission was based on an innovative and tailored approach that combines the analysis of quantitative and qualitative elements in a multidimensional and participatory perspective, and directly involves local stakeholders and beneficiaries. Specifically, the evaluation focused on the criteria of **relevance**, **effectiveness** and **sustainability** (among those established by the OECD DAC) applying the **EHD methodology** (*Evaluation of Human Development*), developed by ARCO and based on Amartya Sen’s *capability approach* as theoretical framework of reference. In general terms, this methodology aims to analyse the expansion of individual and collective opportunities within a perspective of **Sustainable Human Development**, taking into consideration both the specificities of local contexts and those of the intervention being assessed. Furthermore, the evaluation team integrated the mission and the document analysis with information obtained through continuous interaction with the project management.

Evaluation criterion: Relevance

The **productive organizations** supported by the project have different characteristics: stronger and more structured in Bosnia-Herzegovina, thanks to the long-lasting collaboration with local authorities; weaker in Albania due to the normative framework, the socio-cultural background and the absence of institutional support.

Just before the beginning of the project – and similarly during its implementation – the target organizations faced moments of crisis in their respective productive sectors. Those crises – which concerned mainly wild berries and raspberries in BiH, sage and medicinal herbs in Albania – were caused by strong declines in market prices and difficult seasons due to climatic / environmental causes. For this reason, significant training activities were carried out on **quality issues, production diversification, labelling and packaging**, to widen and differentiate the range of action and increase the economic resilience and sustainability of the

cooperatives. The implemented activities provided an important support to agricultural organizations, not only from a productive and commercial point of view, but also strengthening their governance and increasing the participation and the opportunities of women.

Concerning **women empowerment** and the objective of strengthening female membership, there are significant differences to highlight between the two countries: in Albania, it was necessary to carry out activities exclusively with women, due to the cultural background and the minor strength of the cooperative; in BiH, it was enough to develop activities at the cooperative level even without a specific gender focus. The relevance of the activities implemented must therefore be analysed in correlation with the project's ability to grasp the differences between partners and between territorial contexts, allowing to identify the various needs and the most appropriate responses.

The project also carried out activities aimed at strengthening the governance of local authorities in territorial contexts, collaborating with municipalities in the definition and drafting of **Local Action Plans (LAP)**. The processes that led to the drafting of the LAPs in BiH saw the active participation of several actors in meetings and seminars in the various target areas, showing the relevance of these actions. Although very different from each other, the local authorities in the three Bosnian municipalities – i.e. Ustikolina, Goražde and Konjic – showed interest and satisfaction with the **participatory process** that was implemented. The sub-grant program was also implemented in BiH, involving four partners from the municipalities of Goražde and Ustikolina. In the Albanian municipality of Malesi and Madhe, being the process of drafting the PAL already in the final phase, the project intervened on the specific issue of the lack of drinkable and irrigation water, showing the ability to adapt to the priority reported by the members of local community in public hearings.

Regarding actions focused on the capacity for **policy dialogue**, the policy paper and the advocacy campaign focused in BiH on the economic empowerment of women, especially in rural areas, and in Albania on the issue of gender equality regarding land ownership. Both themes proved to be particularly relevant in their respective countries, and the proactive involvement of civil society actors was a crucial factor in the relevance and effectiveness of the project.

Evaluation criterion: Effectiveness

In general terms, the evaluation results have shown that the project increased the opportunities and capacities of small producers belonging to the target cooperatives. A positive impact was reached on: the improvement in **quality production**; the ability to protect oneself from external risks and shocks; the feeling of being part of the community (*individual empowerment*) and being part of a stronger and more inclusive community (*social empowerment*).

In BiH, the fall in revenues due to the raspberry price crisis and the 2017 drought caused a drop in the number of cooperants in *VIP Drina* and *OPZ Konjic cooperatives*. This drop was partly offset by an increase in the number of **members with voting rights**, to testify the increased capacity of the cooperatives to represent an important instrument of inclusion at local level. **Women participation** in agricultural organizations increased, from 64 members with vote in 2015 to 88 at the end of the project. The cooperatives and producers were also involved in training activities with the aim of improving the quality of their products and introducing relevant innovations. These trainings played a capacity-building role for target organizations and their members. The results achieved by the *Odmor Na Selu* Association concerning tourist reception and processed products were excellent and were able to offset the decline in revenues from agricultural production. As for the **overall production** results in BiH, after a strong increase in production and revenues in the 2016 season (from € 128,242 in baseline to € 351,957), the **2017 crisis** caused a collapse in revenues down to € 154,752. However, overall revenues remained above the 2015 baseline levels, even if below the levels envisaged in the preliminary Business Plan drafted at the beginning of the project

In Albania, the results achieved by the *Reçi Prodhimtar Cooperative* were even more significant, with the diversification of production that had a positive return both in terms of revenues (from € 279,000 in baseline to € 455,280 at the end of the project) and production (from 300 to 593.6 tonnes). However, **sage** remained the most important product for the cooperative, contributing to 75% of revenues and production. The analysis and monitoring of the Albanian market, carried out during the entire project with the support of various local institutional actors, identified the *helicrisium italicum* as a new production and the organic certification as one of the next development steps for the cooperative. As for the analysis of the members, the number of cooperants has increased continuously (from 54 in 2015 to 90 at the end of the project), allowing the

cooperative to exceed 100 total members. 76% of members belong to poor families, **women are more involved**, and they declared themselves extremely satisfied with the project activities aimed at increasing their individual empowerment.

As regards the activities aimed at strengthening local authorities, the representatives of the municipalities involved in BiH recognized the effective role of the project in the following areas: increasing the **capacity to involve local actors** (associations, NGOs, etc.) **and citizens** in decision-making processes; **considering the gender perspective in policy making**, directly involving women and giving them the opportunity to express freely. The provision of sub-grants for the implementation of territorial marketing actions and support for the *Goražde Business Center* were satisfactory for the beneficiaries and for the local institutions involved, both in terms of intervention methods and results achieved. In Albania, the project stimulated a **participatory planning process** in the Malesi and Madhe Municipality, with the participation of 5 local community actors in public hearings. The project activities led to modify the text of the PAL with the insertion of two interventions about the availability of drinkable and irrigation water.

In both countries, the advocacy campaign and the drafting of policy papers involved several actors, and were followed by **dissemination campaigns** through events, social media and public communication channels. In BiH the participation in the meetings and the roundtable and the interest aroused in local and national media gave positive feedback: 99 people – e.g. women, representatives of local authorities and organizations – were directly involved in discussing the issue of gender equality, and more than 12,000 were reached through the campaign. In Albania 110 people – e.g. experts, institutions, third sector and local community actors – were directly involved in discussing the issue of gender equality linked to land ownership. The sharing of video and material on social media was also very effective, as well as the involvement of public communication channels, which made it possible to reach around 40,000 people.

Evaluation criterion: Sustainability

The **strengthening of the cooperatives** involved, which play an increasingly central role for small producers and local communities, is a crucial element in terms of sustainability.

Despite the crisis faced in BiH in the 2017 season, the awareness of members on diversification and on the need for investment in labelling, packaging and marketing gives **good prospects for increasing the quality of production over time**. The **economic and social resilience** of cooperatives with respect to environmental fragility is an aspect to be strengthened through mechanisms to protect producers, investing in processes of transformation – less subject to price fluctuations – to increase the **added value of products**.

Although the Albanian cooperative *Reçi Prodhimtar* was more fragile than the Bosnian ones, the training activities implemented allowed to develop a greater ability to look to the future with a **sustainability approach**. Among the positive elements we should highlight: the diversification of production, with the introduction of new products, such as *helichrysum*; the willingness to achieve the organic certification of 35 spontaneous herbs; the increase in productivity linked to the use of the biomass boiler for drying products; the collaboration with cooperants to invest on quality and processed products.

With regard to the strengthening of inclusive and participatory governance models in the target areas, the involvement of an important number of local actors in the drafting of the LAP guarantees a stronger **awareness of civil society**, to be maintained in the next future. Concerning the sub-grants, despite the importance of collaborations carried out, it would have been advisable to identify a smaller number of partners, ensuring a continuous support rather than one-off. In the support program for start-ups (in collaboration with ALDI), a few months after receiving the funding one of the three winners had to abandon the new start-up, and a second showed the difficulty of finding a market for its products. The collaboration with the *Goražde Business Center* was very positive, as the Center proved to be able to continue the activities independently during the last year of the project. In Albania it is possible to highlight two important elements: the **change of mentality regarding the issue of gender equality**, both within the cooperative and among women themselves, and the demonstration given to the Municipality with respect to the usefulness of creating a real **inclusive and participatory process**, which actively involves the members of the local community involved. However, there remains **uncertainty concerning the sustainability of the governance models introduced** at cooperative and local level, which have not yet led to a substantial contribution to an "institutional" change that improves the involvement of women in society and in work.

Finally, as regards the capacity for policy dialogue, it is difficult to assess the sustainability of the interventions, since most of the activities related to the advocacy campaign and the drafting of the policy

paper were implemented in the second half of the last year of the project. In any case, the activities and dissemination initiatives carried out by the project increased the general public interest on the target issues.

Lessons learned

Recognizing the positive role played by the project in the areas of intervention, it is possible to highlight the following lessons learned.

Firstly, the importance of **differentiating the activities** due to the complexity of the project and the differences between target areas, always **focusing on the expansion of individual, collective and institutional opportunities**. Secondly, the importance of adapting the activities according to the changes occurred in project areas, **reacting proactively to external factors** that influence the priorities and results in progress, while maintaining **maximum consistency with the objectives of the project**. Thirdly, the **need to integrate the various activities**, as partially occurred in the FAI project: on the one hand those related to the productive, commercial aspects and the empowerment of women within the cooperatives, and on the other hand those aimed at strengthening the inclusion and policy dialogue skills of the various actors.

The topics of intervention were dealt with in a relevant, effective and sustainable way, succeeding in: 1) obtaining good results regarding the productive and commercial capacities of the agricultural organizations, focusing on production diversification and investment in labelling and packaging, despite the market crises faced; 2) involving municipalities and agricultural organizations in the introduction of more inclusive and participatory governance models; 3) strengthening the capacity for policy dialogue on relevant issues such as the economic empowerment of women in BiH, with a focus on rural areas, and gender equality linked to land ownership in Albania.

All in all, the evaluation report shows how the FAI project, by means of activities aimed at value chain development, participatory local governance and institution-building, not only contributed to **sustainable rural development as an instrument for inclusion and fight against poverty** in the territories of northern Albania and north-central Bosnia and Herzegovina (BiH), but also strengthened the future capacities of **local actors as agents of change for the promotion of sustainable territorial development**.