

Bosnia and Herzegovina

Rural Business Development Project

Mid-term Review

Main report and appendices

Mission Dates: 15-31 October 2017

Document Date: 10/01/2018

Project No. 1100001593

Near East, North Africa and Europe Division
Programme Management Department

A. Project Overview

Region:	Near East, North Africa and Europe Division	Project at Risk Status:	Not at risk
Country:	Bosnia and Herzegovina	Environmental and Social Category:	B
Project Name:	Rural Business Development Project	Climate Risk Classification:	not available yet
Project Id:	1100001593	Executing Institution:	Ministry of Agriculture, Water Management and Forestry
Project Type:	Marketing/Storage/Processing	Implementing Institutions:	Ministry of Agriculture, Water Management and Forestry
CPM:	Mohamed Abdelgadir Adam Ahmed		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	13/12/2011	Last audit receipt	30/06/2017
Signing Date	20/12/2013	Date of Last SIS Mission	17/10/2016
Entry into Force Date	01/04/2014	Number of SIS Missions	1
Available for Disbursement Date	19/02/2016	Number of extensions	0
First Disbursement Date	25/02/2016	Effectiveness lag	28 months
MTR Date	15/10/2017		
Completion Date	31/03/2019		
Financial Closure	30/09/2019		

Project total financing

IFAD Financing breakdown	IFAD	\$12,724,384
	Near East, North Africa and Europe Division	\$784,870
Domestic Financing breakdown	Beneficiaries	\$2,722,764
	Domestic Financing Institutions	\$1,846,779
	National Government	\$6,798,524
Co-financing breakdown	OPEC Fund for International Development	\$5,345,057
Project total financing		\$30,222,378

Current Mission

Mission Dates: 15-31 October 2017

Days in the field: 9

Mission composition: Mr Abdelhamid Abdouli, Mission Leader, Ms. Sigrid Giencke, Value Chain Specialist, Mr. Swandip Sinha, Rural Finance Expert, Mr Malek Sahli , Senior Finance Officer, FMD IFAD, Mr. Zeljko Vasko, Procurement Specialist, Ms. Nerina Musurovic, Knowledge Management Officer, IFAD, Mr Mekonem Yonas, M&E Specialist and Mr Mohamed Abdelgadir, IFAD Country Programme Manager for BiH, NEN Division.

Field sites visited: Municipalities Mostar, Bihaj, Banja Luka

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4
Effectiveness and Developmental Focus		4	Project Management		3
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		4	Knowledge Management		4
Gender equality & women's participation		5	Value for Money		3
Agricultural Productivity		4	Coherence between AWPB and Implementation		3
Nutrition		4	Performance of M&E System		3
Adaptation to Climate Change		4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)		4
Sustainability and Scaling-up		4	Financial Management and Execution		4
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		2
Partnership-building		4	Quality of Financial Management		4
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		5
Quality of Beneficiary Participation		4	Counterparts Funds		4
Responsiveness of Service Providers		4	Compliance with Loan Covenants		4
Environment and Natural Resource Management		5	Procurement		4
Exit Strategy		4			
Potential for Scaling-up		5			

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

The objective of the MTR mission was to assess RBDP achievements against the AWPB targets for 2017 and cumulative achievements since project effectiveness, project management efficiency, compliance with loan covenants and in general pertinence and validity of project design and the need for changes and reallocation of loan and grant proceeds. The latter are important outcomes of the MTR in order to improve implementation and, as needed, adjust activities and/or implementation arrangements for the remaining two years.

Key Mission Agreements and Conclusions

The Mid-Term-Review mission identified many recommendations, aimed at enabling the PCU and APCU to gain tangible momentum in the remaining two years of project implementation. Following are the most important recommendations agreed upon with the Ministries of Agriculture and Finance in the two entities and the State Ministry of Finance and Treasury of BiH:

- Improvement of coordination among project Components. It is recommended to engage an assistant project coordinator (e.g. an individual consultant with experiences in inclusive value chain development) responsible for integration of the different project components and linkages between the field officers and the project coordination teams.
- Harmonisation of matching grant approaches. Because of the similarities of RBDP and RCDP in terms of objectives, approach, activities and coverage, there is a need to harmonise the matching grants provided by the two projects. In this context, the cost of small investment equipment under the Enterprise Support Fund of RBDP would be covered through a maximum 70% of project contribution and 30% beneficiaries' contribution; the cost of starter packages would be covered with a ratio of maximum 40% project contribution, 10% municipalities, and 50% beneficiaries.
- Increase the thresholds for investments by the Producers Associations (PAs) and Cooperatives. It is recommended to increase the current threshold of BAM 15,000 as maximum project contribution to a maximum BAM 50,000 project contribution to allow stronger support to the PAs and Cooperatives in their investments.
- Partial reallocation of the credit line under component 2 (Rural Business Investment) for FBiH. It is recommended to reallocate US\$ 0.786 million of IFAD loan proceeds from component 2 (Rural Business Investment) to component 1 (Rural Business Support) to support Farmers Organisations and starter packages under the Enterprise Support Fund sub-component 1.2.
- Total reallocation of the credit line under component 2 (Rural Business Investment) for RS. It is recommended to reallocate the entire credit line under Component 2 (USD 2.3 million) as follows: (i) USD 1 million to Component 1 to support Farmers Organisations and starter packages under the Enterprises Support Fund Sub-component 1.2 and (ii) USD 1.3 million to component 3 (Rural Market Infrastructure) to invest in infrastructure projects at the municipality level.
- Increase the thresholds of initial advance from IFAD loan funds for FBiH. Considering the low level of fiduciary risk related and the significant increase of programme of works for next 24 months (approx. Euro 2.5 million for 2018), it is proposed to increase the thresholds of initial advance from loan funds to Euros 1.875 million equivalent to approx. 9 months of activities. (Current threshold is Euros 1.0 million).

D. Overview and Project Progress

The overall RBDP implementation progress is **moderately satisfactory**, taking into consideration the late project start up. Progress is uneven among the two entities. Implementation progress in FBiH is moderately satisfactory since significant progress took place and last year supervision mission recommendations largely implemented. Implementation in RS is moderately unsatisfactory because the envisaged progress is lagging behind. Nevertheless, the APCU has completed the bidding process and is currently selecting the contractors for 22 projects.

FBiH:

Component 1: Rural Business Support. The performance of the Rural Business Support is **moderately satisfactory**. Project implementation especially under Sub-component 1.1 is on a promising track; implementation of the other two sub-components 1.2 and 1.3 should accelerate the pace to achieve the envisaged objectives. Under this component 70% of the AWPB 2017 is disbursed until 30.9.2017.

Sub-Component 1.1 Farm Enterprise Development is focussing on capacity building with an Enterprise Development Fund to provide limited financial assistance to Farmers Organisations (FOs). Until end of September 2017, PCU has committed BAM 358,000 for investments in equipment and inputs (starter packages for smallholder farmers) summing up to BAM 1,180,000: 14 FOs have been supported with small equipment with a project contribution of 40%, the PAs and municipalities together 5% and the buyers 55%. The project contribution to starter package investment accounted for 26%, municipalities 5%, contribution from leader companies for 4% and direct payment of beneficiaries for 24% and 41% pre-financing through buyers. The support to farmers and their organisations is accompanied by training and advisory services provided and organised by SERDA in close cooperation with PCU field coordinators.

Sub-Component 1.2 -Business Development Services- includes training, technical assistance, marketing and certification assistance. Support to certification processes is included in the Investment and Action Plan (IAP) and provided in the field of IP standard and HACCP certification for selected cooperatives and SMEs. The IAP has identified especially women groups interested in leadership training and to improve production and marketing to develop rural tourism.

Sub-Component 1.3 -Non-Farm Enterprises Development Implementation of the sub-component is still at an initial stage and has to gain momentum. The PCU is considering supporting training courses for women in elderly care since the municipality of Stolac is planning to open a house for elder people as well as in the business of shoes manufacturing in Teocak municipality. However, due to late project start and with the focus in the last 12 months on Farm Enterprise Development, the prevailing capacities of the PCU and their service providers were rather limit and the planned activities are still in preparation.

Component 2. Rural Business Investment. The mission rated the performance of this component as **moderately satisfactory**. The PCU selected two out of the four financial institutions which expressed interest to become project partners. These were Eki Microcredit Organisation (MCO) which is a microfinance institution and Bosna Bank International (BBI) which is a commercial bank. As at 30 September 2017, the two PFIs disbursed 167 individual loans amounting to BAM 1.42 million, of which 79 loans (52%) delivered to poor farmers with monthly income below BAM 500, being the official poverty threshold. The activities financed by these loans included land, barn construction, irrigation systems, tractor, baler, mower, ploughs, seedlings and agrochemicals. Only 11 (7%) out of the 152 loans were used for financing starter packages. The demand for financing starter packages through PFI credits is low due to pre-financing of the producers by the buyers. As for SME financing, BBI disbursed BAM 2.1 million to 9 SMEs with average loan size of BAM 240,000. The SMEs are all agribusinesses with raw material supply chain linkages to farmers, for financing assets and working capital. However, BBI has not been able to obtain and share a detailed list of farmers linked and benefitting from the SME investments. The mission recommends that the PCU should conduct an immediate survey to determine outreach of the benefits of SME investments to project target group. Additionally, future SME financing should be strictly directed to buyers identified jointly by the PCU partners and BBI. With regards to starter package financing, project initiated financing for producers mainly linked to buyers through offtake contracts (contractual farming). Over last three agricultural seasons the PCU supported 503 farmers with starter packages for production of raspberry, cherry, strawberry and gherkins. Compared to the BAM 965,000 credit line funds used by the Eki MCO to reach only 152 individual borrowers, the project contribution of only BAM 221,000 to the starter packages has generated total investment of around BAM 850,000 by other partners in starter packages. Thus starter package approach is more efficient compared to the credit line approach.

Pre-financing by Leaders (buyers): In the current season farmers' contribution in a large number of cases has been met through pre financing (advance) from buyers. This has reduced the demand for credit from the PFIs. The pre-finance is recoverable by the buyer over 1-3 years from the produce purchased from the farmer. Although buyers are interested in expanding their pre financing outreach they are constrained by limited working capital availability. Recommendation: The mission recommends that the SME loans from BBI should be directed to working capital financing for buyers partnering with the project.

Component 3. Rural Market Infrastructure. Its performance is **moderately unsatisfactory**. This component is co-financed by OFID. PCU has contracted SERDA as service provider, which collected needs of beneficiaries and municipalities. A participatory list of rural infrastructure was prepared. Due to the late signature of OFID loan agreement, implementation of this component is lagging behind. PCU is planning to recruit field officers in the five project regions to support the coordination of the process. So far, only three market infrastructure projects were contracted (2 cool storage facilities and 1 bridge) for BAM 155 000. Taking into account the new OIFD direct involvement in the approval and management of the activities under their financing, the mission recommends a strong enforcement of the eligibility criteria established in PDR and better coordination between implementation of all RBDP components through inclusive VC approach and pro-poor investment action plans.

RS:

Component 1: Rural Business Support. The mission rated the performance of Rural Business Support in RS as **unsatisfactory**. Most efforts of the APCU got stuck, for various reasons, mentioned below. Only 10% of funds allocated to this component under AWPB 2017 has been spent until 30.9.2017.

Sub-Component 1.1 Farm Enterprise Development So far, no progress has been made with regard to the implementation of the planned activities in the AWPB 2017. APCU identified suitable VCs; but reported a number of challenges affecting project implementation, in particular identified value chains such as raspberries and gherkins were facing low market prices. As a result buyers and producers were reluctant in investing in the production of the related products. In addition, the matching grant ratio of 30:70 for investments from the Enterprise Support Fund is unfavourable for smallholder farmers hindering the envisaged value chain development. The conditions of this fund were discussed in the PSC meeting in March 2017, but not further addressed to IFAD as an urgent matter. Some project requests (cooling facility in Subic or starter packages) presented to the PSC were rejected by the committee, as not being explicitly mentioned in the PDR. However, the APCU did not report the faced problems for IFAD but waited until MTR to discuss and clarify future approaches. From the mission's point of view the reported obstacles do not justify a full stop in project implementation especially related to the Enterprise Support Fund. Despite the unfavourable ratio of 30:70 matching grant base to the farmers, the project approach (according to PDR) is still flexible in adjusting the ratio provided IFAD no-objection granted.

During field visits it was apparent that the project region provides sufficient opportunities for inclusive value chain development since farmers, FOs and SMEs have profited from economic improvements in the agricultural sector: and increased market demand for BiH specific products. Different to the past, farmers are not complaining about marketing problem but are interested to improve the quality of their production. FOs and buyers stated their readiness for project support and would be able to raise co-financing shares. Especially companies expanding their outreach to smallholder farmers expressed their interest in co-financing starter packages for new cooperants to speed up their expansion. Also FOs interested in new machinery confirmed their ability to contribute significantly to matching grants. However, APCU, although well connected in the sector, missed the opportunities to develop and intensify the relationships with the identified FOs and SMEs to develop innovative models and partnerships to promote an efficient inclusive value chain approach. Thus, no funds have been spent from the Enterprise Support Fund and also no potential co-financed projects are elaborated.

Partnership with Agricultural Extension Service Department (AESD). As in previous projects APCU is collaborating with AESD as main service provider in support and capacity building. For RBDP, APCU recruited 5 field officers based in different AESD offices in project region. The field officers are directly contracted as consultants by APCU with the option to be integrated in the AESD after project completion. In addition, two experienced extension officers (agronomists) support project implementation. The approach involving the AESD in the project is still recommended, but AESD as well as field officers should play a clearly defined role as already stressed in last year supervision.

Implemented activities in the field are fragmented and do not lead to inclusive value chain development since the core activities are related to trainings and only partially to strengthening the linkages along the value chains. As mentioned in previous missions, it is not clear if support provided by AESD is part of their overall responsibility, e.g. in case of support/training to farmers and their PAs. In the various trainings around 1,900 farmers participated; trainings were mainly implemented by AESD and (partially) to be seen as part of their overall responsibility. Although APCU appointed a targeting officer and implemented workshops on targeting, the poverty focus is not documented/visible in the reported activities.

Sub-Component 1.2 -Business Development Services: APCU has identified a number of farmers/groups interested to improve production and marketing of their traditional products. APCU has contracted specialized service providers for geographical branding in particular to support certification processes and branding of traditional products.

Sub-Component 1.3 -Non-Farm Enterprises Development APCU has not yet started concrete activities in this field, except initiation of discussion with potential employers. Rural tourism provides interesting opportunities for women and youth. APCU has to speed up the process for non-farm employment to reach the set targets for job creation (300 new jobs).

Component 2: Rural Business Investment

The overall performance of Component 2 is rated **moderately unsatisfactory** In response to the call for application for accessing refinancing support from IFAD credit funds two financial institutions, LoK MCO and Fin Credit, expressed interest. LoK offered an attractive interest rate of 6.99% and Fincredit offered 11% interest rate to the final borrower. The selection committee met in early 2017 to formalise their selection as PFIs. However, the selection committee, upon recommendation of the PSC, rejected both applications on grounds that (i) Effective interest rate charged by Fincredit was around 14% and the selection panel headed by the Ministry of Finance considered this too high for the clients, and (ii) Although LoK MCO offered a relatively better rate the panel concluded that the loan ceiling of less than 5,000 Euros is not suitable for financing the SME.

The APCU was instructed to close the process and invite fresh proposal possibly from a wider array of financial suppliers. The APCU invited fresh proposals and received four expressions of interest from FinCredit, Lok and two commercial banks. Meanwhile, the steering committee of the APCU passed a resolution proposing refinancing to the selected PFIs without any interest. However, this request was turned down by the Ministry of Finance. Given that the selection process is now paralysed over the issue of the interest rate it is impossible to disburse these funds in the remaining period of the project through PFIs as visualised in the design. Therefore it is recommended that the credit line should be reallocated partly to component 1 to support producers associations and starter packages and partly to component 3 to invest in infrastructure projects according to details outlined in these respective components.

With regards to reallocation to the Enterprise Support Fund, it is expected to reach out to 30 FOs establishing or strengthening linkages with matching grants support. On a cost sharing base of 70%, project expenditures would sum up to BAM 1,500,000 (approximately USD 0.9 million). Starter packages are new for APCU, although potential candidates (FOs) for support have been

identified. Still, in view of a pilot activity it is estimated to distribute 200 starter packages to around 200 farmers. In average, the cost of the packages will be BAM 3,000 with a total project contribution of BAM 240,000 (approximately USD 140 000). Both investment support measures, expected to be financed through the Enterprise Support Fund, amount to approximately USD 1 million.

The APCU has just started the implementation of RCDP which is a parallel national IFAD project that will overlap with many of the RBDP municipalities during implementation. The reallocation of the RBDP credit line funds in the manner described earlier is harmonised with the business plan approach of RCDP. For example, the reallocated funds to component 1 will support the pre-strengthening of many of the FOs which will be a part of the RCDP business plan approach. The reallocation of the funds to component 3 will support the prior development of critical production and marketing infrastructure projects that will accelerate the outreach of the RCDP business plans. This will be helpful as RCDP is not designed to support infrastructure investments.

Component 3: Rural Market Infrastructure.

The overall performance of Component 3 is rated **moderately satisfactory** in RS. . The OFID co-financing part of this component was cancelled, upon Republika Srpska's Ministry of Finance request. This co-financing of USD 3.4 million is being met partially through a domestic co-financing from Republika Srpska's Government budget.

The APCU identified , in collaboration with the municipalities and beneficiaries 53 rural infrastructure projects. These were mostly requirements for roads asphaltting and water supply systems construction, but also in some cases proposals for construction of the irrigation systems, contraction of the sewerage facility, cool store construction or landslide rehabilitation. The selection was based on strong linkage to the VC. Following further analysis and ranking, the Project Steering Committee approved 43 proposals and more than 20 of these proposal are under implementation.

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus	
Effectiveness	Rating: 4

Justification of rating

The two year delay has had a negative impact on the project implementation progress but it is of MTR mission opinion that 2017 could be considered an important milestone towards putting the project on track. In particular, the PCU in FBiH has prepared an inclusive and comprehensive participatory Investment Action Plan, currently under implementation in the project area with intensive collaboration with partner financial institutions and private sector buyers and processors. The APCU in RS initiated the preparation of its own Investment Action Plan, but its implementation is lagging behind.

Log-Frame Analysis & Main Issues of Effectiveness

PART A. FEDERATION OF BOSNIA AND HERZEGOVINA (FBiH)

Under the Sub-Component 1.1 Farm Enterprise Development and as of to date a total of 23 PAs/Cooperatives with some 3,000 members and cooperants received support. Among the 23 FOs, 11 farmer groups were supported with starter packages for gherkins, cherries, strawberries and raspberries. 503 starter packages have been distributed. 14 FOs have been supported with small equipment.

With regards to Sub-Component 1.2 -Business Development Services, so far, 254 participants from 7 FOs (mainly women) have been trained in the following themes: women leadership skills' development, successful leadership in rural areas, qualifying FOs for the elaboration of projects, support to the development of rural tourism. So far, the project in FBiH trained 1,876 farmers and women; 62% of the targeted 3,000 farmers in FBiH.

Under component 2 Rural Business Investment, as at 30 September 2017, the two PFIs disbursed 167 individual loans amounting to BAM 1.42 million. Eki MCO disbursed 152 individual loans (amounting to BAM 1.2 million with average loan size of BAM 7,939) and BBI 15 individual loans (amounting to BAM 0.21million with average loan size of BAM 14,658). In addition BBI has disbursed a total of BAM 2.1 million to 9 SMEs with average loan size of BAM 240,000.

Under component 3 Rural Market Infrastructure, So far, only three market infrastructure projects have been contracted (2 cool storage facilities and 1 bridge) for a total contracted value of BAM 155 000.

PART B. REPUBLIKA SRPSKA

Sub component 1.1: So far the only achievement consisted of identifying 8 SMEs, 10 PAs and 9 cooperatives for potential support. No progress under Sub-Component 1.2 and Sub-Component 1.3 as well as component 2.

With regards to component 3, APCU identified, in collaboration with the municipalities and beneficiaries 43 rural infrastructure projects, of which APCU is currently selecting the contractors for 22 projects.

Development Focus	
Targeting and Outreach	Rating: 4

Justification of rating

In FBiH, SERDA followed the methodology used by Oxfam in RLDP. But targeting is only visible in the distribution of starter packages and related smallholder loans. MTR mission noted that the revised IAP follows an inclusive value chain approach by providing an overview of the poverty status in the selected regions as well as prioritized value chains and actors present in the project regions. APCU is building targeting strategy on data collected through baseline study and joint assessments with local beneficiaries such as municipalities and FOs. APCU conducted three targeting workshop for selected value chains to discuss social categorisation and targeted measures in selected municipalities. Mission field observations confirm that smallholder farmers and rural women are majority poor below poverty line (monthly income below BAM 500).

Main issues

Description of Action: In the Federation, SERDA as service provider has followed the proven methodology applied by Oxfam in RLDP. However, targeting in FBiH is only visible in the distribution of starter packages and related smallholder loans, as outlined under Component 1. MTR mission pleased that the revised Investment and Action Plan (IAP) prepared by SERDA in FBiH follows an inclusive value chain approach by providing an overview of the poverty status in the selected regions as well as prioritized value chains and the actors present in the project regions.

APCU is building the targeting strategy on data collected in the context of the baseline study and joint assessments with local beneficiaries such as municipalities and FOs based on defined poverty criteria. APCU conducted three targeting workshop for selected value chains to discuss social categorisation and targeted measures in selected municipalities.

Mission field observations confirm that smallholder farmers and rural women supported by the project are majority poor and below the poverty line (consisting of a monthly income below BAM 500 in Bosnian context). Risk of elite capture for SME grants: some of the members of PAs and Cooperatives are relatively less poor. It is the mission opinion that the risk of elite capture is some how inevitable because the project focus is on inclusive VC whereby less small producers and large processors are important players within the same PA or cooperative in linking small producers to markets. Unlike SMEs, the starter packages offered to small producers are less attractive to the better-off farmers and proved efficient in enforcing project targeting strategy.

Gender equality & women's participation	Rating: 5	Previous rating: 4
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Justification of rating

The current value chains envisaged through the project are particularly attractive to women's participation, e.g. gherkins for the processing industry, traditional dairy products, employment creation (under sub-component 1.3 such as rural tourism, manufacturing, elderly house management, etc). The appointment of targeting and gender officers in both FBiH and RS is supporting project implementation in a pro-poor and gender sensitive manner. Both PCUs have reflected women participation in their (initial) selection of groups. The IAP of PCU has put strong emphasis on women and youth involvement in the selection of eligible FOs: among the identified 31 FO's are 4 women PAs, 11 women led FOs, 6 FOs led by youth and 6 FOs with 50% female and young members.

Agricultural Productivity	Rating: 4
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Justification of rating

Although the M&E system did not capture the project impact on production and productivity of the selected VCs, there are anecdotal evidences that the activities included in the IAP are aimed at enhancing them through training starter packages and access to post harvest and market facilities and business linkages to buyers. Project investments are expected to contribute to increasing agricultural productivity in terms of (i) utilization of agricultural land with reintroduction of idle land, (ii) higher yields through improved technologies (e.g. equipment and improved breeds and seeds) and (iii) shifts from low value field crops to cultivation of high value crops. Buyers and processors met in the field showed a strong interest in assisting the smallholder producers for a better quality and higher quantity of agricultural produce.

Nutrition	Rating: 4
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Justification of rating

Although the M&E data did not provide details on the nutrition related data, the activities aimed at increasing productivity and production of vegetable and fruit crops and dairy products have a positive impact on HH nutrition. The project also intends to promote International food safety and adopt the certification systems help ensure implementation of Good Agricultural Practices including local and EU food safety standards. In addition the expected strong market link with buyers, processors and exporters would increase HH income leading to an overall improvement of child nutrition and the family diet.

Adaptation to Climate Change	Rating: 4
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Justification of rating

All VCs promoted by the project are based on climate-change adaptation technologies including irrigation, hail protection, adapted varieties, etc. By enhancing the smallholder capacity for enhancing the productivity of existing resources through SERDA and AESD support, these existing natural resources are to be used more efficiently, enabling the smallholder producers to respond more resiliently to the challenges of climate change.

Main issues

Description of Action: Smallholders awareness on their vulnerability to climate change is limited

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4
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Partnership-building	Rating: 4
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Justification of rating

The APCU and PCU has so far good cooperation with GIZ ProLocal project on smallholders capacity building. Cooperation with USAID FARMA II project is still limited to field coordination to avoid overlapping of support. These two initiatives are a good start but further efforts are needed. Mission recommends stronger synergies with these two projects (GIZ for more training and capacity building, USAID for possible matching grant allocation using the recommended cost-sharing ratio of RCDP), and identification of other donor-funded projects on VC during the remaining period

Main issues

Partnership still limited in scope.

Human and Social Capital and Empowerment	Rating: 4
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Justification of rating

The increased involvement of the smallholder producers in VC business through their organisations are clear indications of social cohesion within the communities and can be considered as good indicator for empowerment and social capital development. Nevertheless, the project did not undertake any assessment to what extent the project has contributed to building the social capital of smallholder producers, rural women and youth in project area. However, the absence of social conflict among the FOs members.

Quality of Beneficiary Participation	Rating: 4
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Justification of rating

Project beneficiaries have been playing an important role in establishing the Investment Action Plans , hence influencing the choice and sequencing of project activities. MTR mission observations in the field have confirmed that activities are demand driven and tailored to their specific needs.

Main issues

Description of Action: The financial participation of smallholder producers in equipment investments through 30%(project)/70% (beneficiaries) cost sharing arrangement proved beyond their means.

Responsiveness of Service Providers	Rating: 4
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Justification of rating

In FBiH SERDA has been effective in assisting the PCU through the preparation of participatory Investment Action Plans and provision of technical training and capacity building to the smallholder farmers, rural women and associations. SERDA is supported by three PCU field officers. In FBiH, amongst the rural finance services providers, the MFI EKI is the main FIs in FBiH targeting at smallholder farmers, besides BBI targeting at SMEs. In RS, the APCU is continuing the cooperation with AESD with additional support by five field officers, a proven approach from previous projects.

Main issues

Description of Action: Limited coordination in the field between the service providers and APCU/PCU staff and credit officers (case of FBiH).

Environment and Natural Resource Management	Rating: 5	Previous rating: 4
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Justification of rating

Design indicates that the project will not have any significant negative impacts on the environment and has been given a classification of Category B indicating its very low potential to adversely impact the environment. In fact the RBDP is expected to provide positive environmental benefits. International food safety and export standards and certification procedures will be encouraged by smallholder farmers participating in Project activities. These certification systems help ensure implementation of Good Agricultural Practices including local and EU food safety standards. MTR mission has confirmed that the schemes implemented so far meet requirements of the environmental legislation of Bosnia and Herzegovina

Exit Strategy	Rating: 4
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Justification of rating

Beneficiary participation, involvement of private sector within the VC and continued provision of counterpart funding are the foundations for establishing an exit strategy.

Main issues

Beyond the established foundation for project exit strategy , the PCU and APCU are yet to initiate the preparation of such strategy

Potential for Scaling-up	Rating: 5	Previous rating: 4
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Justification of rating

Although it is too early to assess to what extent project interventions are scalable up, the activities include 3 scaling up pathways: (i) development /strengthening of rural enterprises through investment lending by PFIs and buyers pre-financing; (ii) construction of rural infrastructure for the alleviation or removal of bottlenecks to improve assets and incomes of poor people (roads, water supply, sewage, small scale irrigation); and (iii) enhancing partnerships with institutions of the rural poor and civil society organizations using community- driven development approaches and building capacities of service providers to provide pro-poor demand driven advice, ensuring more sustainable mechanisms for the delivery of services to farmers and entrepreneurs. The preliminary findings indicate that the project is on track; nevertheless, more is needed to ensure that the project interventions are scaled up.

c. Project Management

Quality of Project Management	Rating: 4
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Justification of rating

Staffing in both entities is adequate as per PDR, in terms of numbers and qualifications at PCU and APCU as well as in the field. Following last year supervision recommendation , the PSC in FBiH has been established. The PSC in RS was established earlier. Both PSCs are chaired by the Assistant Ministers of Agriculture of the two entities with membership from relevant bodies (Ministry of Finance, the private sector, and where applicable, regional development agencies, Chambers of Commerce, etc). The PSCs are responsible for the following: strategic and policy guidance for implementation of the project activities and conformity with overall development strategies; Approval the annual work plan and budget for the project; Ensuring effective cooperation between the PCUs and the canton/municipality administrations; and Review of project progress and performance.

Main issues

Description of Action: Currently the PSCs role is limited to the approval of the AWPB and meet only once a year

Knowledge Management	Rating: 4
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Justification of rating

The project concept is centred on the introduction and dissemination of new technologies and knowledge to poor rural producers and their organisations as well as private sector players (agribusiness companies) within an inclusive VC approach beased on participatory investment action plans. While the project is yet to generate the expected results to the target group and meet its outreach target, few promising initiatives have been spearheaded by the A/PCU and PCU, such linking smallholder producers to dairy processors and fruit buyers and exporters through contractual framing. However, so far no knowledge management products have been developed by the project. The observed gaps in systematically documenting the process and outcome of interventions is preventing the management to make evidence based decision to both prove impacts, and improve interventions' implementation .

Value for Money	Rating: 3
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Justification of rating

As mentioned earlier, the two year delay has had a negative impact on project implementation efficiency in relation to delivering outputs to the beneficiaries. The case of Component 2 in RS would call for an unsatisfactory rating because its complete halt. The Economic Internal Rate of Return of the project could not be estimated because of the limited progress and lack of impact. However, as per design sensitivity analysis, the EIRR remains sobust (higher than the Opportunity Cost of Capital) despite the two year delay in implementation.

Coherence between AWPB and Implementation	Rating: 3
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Justification of rating

Project AWPB for 2017 was ambitious, but implementation was slow, with large dispcrepancies between the two entities. Execution of the AWPB in FBiH has reached 70% of committed funds , particularly for componnet 1 and Comoponent 2. While execution of the AWPB in RS did not exceed 10%, with component 2 completely stopped.

AWPB Inputs and Outputs Review and Implementation Progress

Description of Action: FBiH: Until end of September 2017, the PCU has committed BAM 358,000 for investments in equipment and inputs (starter packages for smallholder farmers) summing up to a total investment of BAM 1,180,000, finnaced by BRDP, municipalities. A total of 23 PAs/Cooperatives with some 3,000 members and cooperants received support. In addition training courses and advisory services reached 1,622 farmers in the targeted municipalities. Within project support to non-farm rural employment, the project provided skills training to 95 rural wome. With regards to component 2, as at 30 September 2017, the two PFIs had used the credit line financing to disburse a total of 167 individual loans amounting to BAM 1.42 million. 79 loans (52%) were delivered to poor farmers with monthly income below the poverty line of BAM 500. Within the same component, BBI has disbursed a total of BAM 2.1 million (US\$ 1.26 million) to 9 SMEs, covering all agribusinesses with raw material supply chain linkages to farmers in the project area. They have used the loans for financing both assets and working capital. Within the Rural Infrastructure Component, three market infrastructure projects have been contracted (2 cool storage facilities and 1 bridge). Additional infstrascture projects are included in the Inesvtment Action Plan for OFID financing.

RS: APCU had identified suitable value chains for project support. But so far only various technical trainings of around 1,900 farmers were provided by the service provider AESD. Within the Rural Infrastructure Component, the APCU identified 53 rural infrastructure projects. As at 30 September 2017 the APCU contracted 7 rural market infrastructure projects for a total value of BAM 1.5 million.

Performance of M&E System	Rating: 3
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Justification of rating

The APCU and PCU consolidate project reporting to IFAD and Government institutions at the Entity level. There is no single function solely dedicated to M&E. The project M&E system is very fragmented. It is Excel-based and consisting of different Excel spreadsheets with data on input, activities and output indicators for reporting on planned procurement, disbursements and operations. The M&E Officer consolidates this data gathered from relevant units and implementing partners/service providers on the basis of agreed reporting format and timing, predominantly for reporting purposes. As the information is gathered for the purposes of reporting, the relevance of the M&E system as a management tool for the project continues to be limited.

M&E System Review

Description of Action: The process of harmonization of log-frame indicators as well as RIMS indicators between the two PCUs is still ongoing. As the APCU and PCU follow different approaches to M&E, partial progress has been made to harmonise the RIMS indicators tracked in the two entities, so as to allow for a comparison of the achievements. The progress made is limited to the first level indicators and targets across the three project components, which have been harmonized and agreed-upon through a collaborative, inter-entity M&E exercise. With regards to the consistency of the log-frame and RIMS reporting with the outputs, outcomes and indicators outlined in the PIM vis-a-vis the Project Design, the project log-frame has been revised at MTR to reflect a stronger emphasis on pro-poor targeting.

Following the recommendation to develop a central computerized database containing all relevant project data (on the level of project inputs, outputs and outcomes), the A/PCU could not identify a qualified technical consultant to develop an integrated M&E system that is automated, cost-effective and user-friendly for effective information management. The mission recommends for the APCU and PCU to capitalize on the good experience of the Montenegro IFAD country programme and to liaise with the relevant project staff for concrete support in the establishment of the M&E system. Beyond continued capacity building, a project KM plan is required together with a communication strategy to build the evidence/knowledge base as well as facilitate learning and innovation among APCU and PCU staff, service providers and other project stakeholders around evidence produced through M&E as a way to improve the effectiveness, efficiency, sustainability, relevance and impact of Project activities.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	Rating: 4
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Justification of rating

No change

SECAP Review

Too early

d. Financial Management & Execution

Disbursement by financier				
Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$2,722,764		
	Domestic Financing Institutions	\$1,846,779		
	National Government	\$6,798,524		
Co-financing breakdown	OPEC Fund for International Development	\$5,345,057		

Acceptable Disbursement Rate	Rating: 2	Previous rating: 3
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Justification of rating

For FBiH the disbursement is rated satisfactory. The disbursement percentages, including the authorised allocation to the Designated accounts for the loan and the grant were 41% and 54% respectively. These rates are acceptable taking into consideration the two-year delay since project start up, due to the late signature of the entity Agreement (beyond the control of the PCU). For RS, the disbursement is rated Moderately Unsatisfactory. The disbursement percentages, including the authorised allocation to the Designated accounts for the loan and the grant were 16% and 60% respectively. As of 30 September 2017, only three withdrawal applications (WAs), two under IFAD loan and one under IFAD grant had been submitted and disbursed, for Euros 0.65 million and Euros 0.15 million. This low level of disbursement is explained by the low level of activities' implementation so far

Main issues

Description of Action: For FBiH, as of 30 September 2017, PCU submitted to IFAD six (6) withdrawal applications (WAs), three (3) under IFAD loan, two (2) under IFAD grant and one (1) under OFID Loan for respective total of Euros 2.4 million, Euros 0.2 million and Euros 1.0 million. At the mission's time an additional WAs were prepared to be submitted to IFAD for respectively Euros 0.7 million from IFAD loan funds.

Fiduciary Aspects		
Quality of Financial Management	Rating: 4	

Justification of rating

Financial management. The PCU maintains a full set of accounts in accordance with IFAD's requirements and internationally accepted accounting standards. The PCU uses the financial management and accounting system already in place. Within the PCU, the Financial Manager is responsible for all financial aspects of the project. Based on the FM supervision, the financial management performance is assessed to be satisfactory. The Financial management is RS is slightly less solid, hence rated moderately satisfactory

Main issues

The financial reports are submitted late and not in line with IFAD templates

Quality and Timeliness of Audit	Rating: 5	Previous rating: 4
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Justification of rating

FBiH and RS: Audit (Satisfactory). The project submitted timely audited separated and consolidated financial statements. The external audit was conducted by a private audit firm "DELOITTE". It is observed that audit work throughout the project's life has been completed following IFAD's Project Audit Guidelines and International Standards on Auditing

Counterparts Funds	Rating: 4
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Justification of rating

For FBiH, Counterpart Funds (Satisfactory). Government transfers an advance on its contribution to the project for BAM 0.540 million (37% of its contribution to AWPB 2017). This rate doesn't take into consideration the volume of VAT exempted on direct purchases for civil works financed by OFID. Other co-financiers contributed 71% of their contribution to AWPB. For RS, Counterpart Funds (Moderately Satisfactory). They reached 48% of planned contribution for AWPB 2017. These contributions were addressing VAT, project management and coordination unit expenses and Rural Market Infrastructure component's commitments and payments. OFID co-financing part was cancelled, and will be covered through a domestic co-financing from RS Government budget and reallocation of USD 1.3 million from IFAD loan from component 2 to component 3.

Compliance with Loan Covenants	Rating: 4
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Justification of rating

FBiH and RS: The Project's compliance with Loan Covenants is rated as Satisfactory. Except the late submission of AWPB, the project complied with all loan covenants.

Procurement	
Procurement	Rating: 4

Justification of rating

FBiH: Procurement performance is moderately satisfactory. PCU applied IFAD procurement procedure as per LTB. But implementation of these procedures, especially of procurement of matching and starter packages, was a challenge, requiring improvements in relation to preparation of technical specifications through engaging additional experts if needed. Procurement should be competitive, but with a possibility to use less competitive methods when necessary and well justified. Bid evaluation committees should be appointed, involving representatives of co-financiers of goods, works or services. RS: Procurement performance is satisfactory. APCU applied IFAD procurement procedure as per LTB. But it should improve conditions for disposal and storage procurement documentation, and monthly submission register of contracts to IFAD.

Procurement Review

For FBiH, the review covered November 2016 - September 2017, and procurement equivalent 1.5 million BAM. Review included a sample of 15 of 44 procurement packages. That is one-third (34%) of total number of contracts in the observed period and more than half total contracted value (52%). The mission has observed the following:

- all procurements were made through an appropriate procurement method selected based on estimated financial value of procurement;
- although most of purchases were made through a method of national shopping, there were no unsuccessful procurements that should have been repeated;
- the technical specifications for the procurement of goods (mostly starter packages) are, in some cases, scant and insufficiently precise, and in other cases too specific;
- there were no any systematic activities on pre-identification potential suppliers of goods, works or services;
- due to several different sources of financing, the procurement of same goods was divided into several separate lots, which could be integrated into larger packages and thus enable application of a more competitive procurement method;
- PCU has no centralized system for registering bid receipt, so it is difficult to determine the exact time of bid submission in relation to the deadline;
- the supporting documentations required in the RFPs, which confirms qualifications and seriousness of the bidder, is modest and should be improved;
- bid evaluation committees were formed only in the cases of procurement of construction works;

- partners who financed most of purchased goods were not involved in process of bids evaluation and award of the contract;
- the notices on the selection of the most favorable bid with key data are communicated in a timely manner to all bidders;
- evidence of the execution of contract (available in a procurement file), handover of goods or services are, in some cases, superficial and insufficiently reliable

For RS , The total contracted amount of procurement for part B of RBDP until end of September 2017 was 1.78 million BAM (excluding the contracts of APCU staff). After the last supervision, in period November 2016 – September 2017, contracted value is equivalent 1.65 million KM. The subject of post review was only 6 contracts in amount of 20.570 KM. Bearing this in mind, there was no need to identify a sample of contracts for post review.

During the ex-post review of procurement documentation in APCU mission are made the following observations:

- all procurements are undertaken using appropriate procurement methods in according to relevant IFAD and partly also national regulations;
- the procurement activities are planned on time, more generally, and less in detail;
- in category of civil works there were some procurements which had to be repeated because of non sufficient interest of bidders;
- the technical specifications and ToRs were detailed and clear;
- the potential suppliers of goods, works or services are pre-identified;
- in some cases there were used more competitive and transparent procurement method than it was required;
- documentations requested for confirmation the qualifications of the bidders are adjusting to the value of the procurement;
- bid evaluation committees were formed regularly;
- all bidders are informed in a timely manner about the results of the evaluation process and contract awards;
- implementation of project procurement is subject of double audit (by external auditor and by public procurement audit office) and on top of that supervised during IFAD supervision or MTR missions.

e. Additional Aspects

Annexes to MTR

The Annexes of the MTR have been uploaded in ODC Document Library; see below link:

<https://xdesk.ifad.org/sites/NENop/Lists/BIH/1100001593/Supervision%20Report/BiH%20BRDP%20MTR%20-%20Annex%20I%20and%20II.docx>

F. Relevance

Relevance	Rating: 5
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Justification of rating

The rationale for the project is still valid. Smallholder farmers transformation from subsistence to commercial farming, was confirmed by MTR mission as the most appropriate way of sustainably lifting them out of poverty. The inclusive VC approach promoted by the project is a win-win contractual arrangemnet between the smallholder producers and their associations and the private sector (processors and buyers) partners.

G. Lessons Learned

Title: Importance of Business Planning through Participatory approach

Description: Lessons learnt from previous IFAD funded projects in BiH highlighted the need for coordination and cooperation among the different project components in the implementation to maximise the benefit for the rural target groups. The classical structure of project design with three separate components proves again the problem to coordinate implementation. These experiences justify and confirm the approach chosen for RCDP channelling project support at target group level through joint elaborated business proposals, hence the importance of early establishment of participatory investment action plans.

Beneficiary financial contribution to investment activities should be assessed thoroughly at project design

RBDP financing plan included beneficiary contribution of 70% of the cost of equipment against 30% from IFAD loan proceeds. MTR has observed that such a high percentage of beneficiary contribution proved to be way beyond the financial means of the poor smallholder producers. It can be argued that zero contribution would lead to misuse and waste of project resources but also a high contribution requirement from the target group would deprive (exclude) them from project benefits in favour of the better off beneficiaries through elite capture.

Need for experienced institutional service providers.

The changing approaches in the latest IFAD funded projects confirmed the need for external expertise in project implementation to mitigate weak managerial capacities. The PCU is following this approach but in RBDP it became obvious that the proofed experiences of service provider in the required approach play an important role for the project implementation. The required expertise has to be reflected in the ToR as well as in the selection process.

Also in the RS inclusive value chain development is requiring specific expertise, which goes beyond the expertise available in the APCU team and the AESD. In the past, APCU could keep (successfully) the status quo, but RBDP has shown that a change in the approach is required to implement the agreed approach and to meet the set project targets. AESD involvement in implementation is still to be appreciated but it requires additional expertise

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members				355	355					
	1.a Corresponding number of households reached										
	Households										
	1 Persons receiving services promoted or supported by the project										
	Males			46880	355	355	0.8%				
	Not Young										
	Young										
	Females			33120	140	140	0.4%				
	Communities receiving project services										
	Outreach			47	20	20	42.6%				
	Groups receiving project services										
	Groups			60	9	9	15.0%				
	Households receiving project services										
	Households			20000	355	355	1.8%				
Goal Enable poor rural people to improve their food security, raise their incomes and strengthen their resilience by building profitable farm and non-farm enterprises in Bosnia-Herzegovina	Households who have renovated their homes and up-graded household assets in targeted municipalities							Living Standard Measurement Surveys (LSMS), Household Budget Surveys (HBS) by the Agency for Statistics of Bosnia Herzegovina			Peace and stability
	Households										

Objective Help subsistence farmers transform to commercial farming and help in developing the non-farm enterprise sector for rural employment generation	Percentage of targeted households reporting increased incomes from agriculture						Panel surveys at baseline, Mid-term and project completion Surveys ; Labour Force Survey 2011. Millennium Development Goals Report for 2015. Records of Participating Municipal Governments.	Baseline, mid-term and completion	APCU, PCU	Peace and stability	
	Households	0		75							
	Percentage increase in average household incomes						Panel surveys at baseline, Mid-term and project completion Surveys ; Labour Force Survey 2011. Millennium Development Goals Report for 2015. Records of Participating Municipal Governments.	Baseline, mid-term and completion	APCU, PCU		
	Percentage increase	0		35							
	Share of women in wage employment in the non-farm sector in the project municipalities						Panel surveys at baseline, Mid-term and project completion Surveys ; Labour Force Survey 2011. Millennium Development Goals Report for 2015. Records of Participating Municipal Governments.	Baseline, Mid-Term and Completion	APCU, PCU		
	Percentage of women	35		40							

	Increase in the share of youth in non-farm wage employment						Panel surveys at baseline, Mid-term and project completion Surveys ; Labour Force Survey 2011. Millennium Development Goals Report for 2015. Records of Participating Municipal Governments.	Baseline, Mid-Term and Completion	APCU, PCU	
	Percentage increase	0		5						
	Unemployment rate of youth in project municipalities						Panel surveys at baseline, Mid-term and project completion Surveys ; Labour Force Survey 2011. Millennium Development Goals Report for 2015. Records of Participating Municipal Governments.	Baseline, Mid-Term and Completion	APCU, PCU	
	Percentage of youth	48		43						
	2.2.1 New jobs created						Service provider reports	Annually	APCU, PCU	
	Job owner - women									
	Job owner - not young									
	Number of new jobs			600						
	Job owner - men									
	Job owner - young									
Outcome "Outcome n.1 Increase in productivity and enterprise through strengthened business and advisory services "	Increase in the volume and quality of agriculture products marketed						"Panel (baseline, mid-term and completion) surveys, Service provider reports. Internal Project database. Municipality Reports."			"Minimum disruption of the agriculture sector by incidence of disease, extreme weather events and economic or financial crisis."
	Volume of sales			20						
	No of enterprises operating on a sustainable basis									

	Enterprises													
Output "Output 1.1 Strengthened Producer Associations and Agriculture Cooperatives"	Marketing groups formed/strengthened							"PA/Ag cooperative reports. Service provider reports. Panel surveys"	Annually	APCU, PCU	"Farmers interest in joining PAs and ACs. Competent service providers"			
	number of marketing groups			60	11	11	18.3%							
	Marketing groups with women in leadership positions													
	Groups			21	3	3	14.3%							
	People in marketing groups formed/strengthened													
	Females			1470	52	52	3.5%							
	Males			2730	201	201	7.4%							
Output "Output 1.2 Farmers and enterprises assisted on technical and business skills."	2.1.2 Persons trained in income-generating activities or business management										"Farmers interest in joining PAs and ACs. Competent service providers"			
	Females			2496	19	19	0.8%							
	Males			4704	15	15	0.3%							
	People accessing facilitated advisory services													
	Females			440	22	22	5.0%							
	Males			659	11	11	1.7%							
	1.1.4 Persons trained in production practices and/or technologies													
	Men trained in crop			2100	102	102	4.9%							
	Women trained in crop			1400	32	32	2.3%							
	Men trained in livestock			1020	26	26	2.5%							
	Women trained in livestock			680	15	15	2.2%							
Outcome "Outcome n.2 Increased access to sustainable financial services"	Operational Self-Sufficiency (All FIs)							"PFIs' interim and annual reports Audit reports of PFIs External databases (MIX market, Planet rating, etc.)"	Annually	APCU, PCU	"Minimum disruption of the agriculture sector by incidence of disease, extreme weather events and economic or financial crisis."			
	Ratio			120										

	Operating Expenses Ratio (all FIs)						"PFIs' interim and annual reports Audit reports of PFIs External databases (MIX market, Planet rating, etc.)"				
	Ratio			20							
	Active Borrowers/ Personnel (All FIs)						"PFIs' interim and annual reports Audit reports of PFIs External databases (MIX market, Planet rating, etc.)"				
	Ratio			100							
	Portfolio at Risk (All FIs)										
Ratio			5								
Output "Output 2.1 Enterprises and farmers in the target group provided with financial services"	New loans provided						"PFIs' interim and annual reports Audit Reports."	Annually	APCU, PCU	"PFI interest in participation in project activities. Effective lending procedures. Gender sensitive credit appraisal"	
	New loans provided - total			2000							
	New loans provided - women			800							
	1.1.5 Persons in rural areas accessing financial services						"PFIs' interim and annual reports Audit Reports."				
	Women in rural areas accessing financial services - credit			555	0	0					0.0%
	Men in rural areas accessing financial services - credit			832	0	0					0.0%
	Active borrowers						"PFIs' interim and annual reports Audit Reports."				
	Enterprises			46	0	0					0.0%
	Value of gross loan portfolio										
	Value of gross loan portfolio for groups - USD 000			2000	0	0					0.0%
	Value of gross loan portfolio - not specified - USD 000			3151	0	0					0.0%

	Value of gross loan portfolio for enterprises - USD 000			3287	0	0	0.0%				
	Financial institutions participating in project										
	FIs			8	4	4	50.0%				
	Staff of financial institutions trained										
	Persons			26	0	0	0.0%				
Outcome "Outcome n.3 Increased access to markets and business opportunities"	Decrease in travelling time to social services, markets and business centers							"Panel (baseline, mid-term and completion) surveys. Internal Project database"	Annually	APCU, PCU	"Availability of co-financing. Cost effective project selection. Proper infrastructure maintenance"
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	Increase in the volume of products marketed.							"Panel (baseline, mid-term and completion) surveys. Internal Project database"			
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	Number of functioning infrastructure after three years.							"Panel (baseline, mid-term and completion) surveys. Internal Project database"			
	Infrastructures										
	"Households with improved access to roads, domestic water supply, sewage facilities and irrigation facilities"							"Panel (baseline, mid-term and completion) surveys. Internal Project database"			
	Households			16000							
Output "Output 3.1 Rehabilitated rural roads including structures such as bridges and drainage facilities"	2.1.5 Roads constructed, rehabilitated or upgraded							"Technical design documentation Contractor Reports. Minutes of Scheme Takeover Experts Assessments Supervision Reports"	Annually	APCU, PCU	"Transparent and objective criteria for screening"
	Length of roads			85	0	0	0.0%				

	Other social infrastructure/facilities constructed/rehabilitated							"Technical design documentation Contractor Reports. Minutes of Scheme Takeover Experts Assessments Supervision Reports"	Annually	APCU, PCU	
	Infrastructures			4	0	0	0.0%				
Output "Output 3.2 Water supply and/or sewerage schemes"	Drinking water systems constructed/rehabilitated							"Technical design documentation Contractor Reports. Minutes of Scheme Takeover Experts Assessments Supervision Reports"	Annually	APCU, PCU	"Transparent and objective criteria for screening"
	Drinking Systems			14	0	0	0.0%				
	Other productive infrastructure constructed/rehabilitated										
	Infrastructures			6	0	0	0.0%				
Output "Output 3.3 Water points in pastures, small-scale irrigation and river bank protective works, etc"	Livestock water points constructed/rehabilitated							"Technical design documentation Contractor Reports. Minutes of Scheme Takeover Experts Assessments Supervision Reports"	Annually	APCU, PCU	"Transparent and objective criteria for screening"
	Water Points			20	0	0	0.0%				
	2.1.6 Market, processing or storage facilities constructed or rehabilitated										
	Storage facilities constructed/rehabilitated			10	0	0	0.0%				
	Processing facilities constructed/rehabilitated			50	0	0	0.0%				