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# Supporting Small and Medium-Sized Enterprises in Bosnia and Herzegovina:

## Impact Evaluation of USAID and Sida Fostering Interventions for Rapid Market Advancement (FIRMA)

**OCTOBER 2015**

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# SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES IN BOSNIA AND HERZEGOVINA:

## IMPACT EVALUATION OF USAID AND SIDA FOSTERING INTERVENTIONS FOR RAPID MARKET ADVANCEMENT (FIRMA)

**October 2015**

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Ye Zhang

Technical Director and Principal Investigator

MEASURE-BiH

# ACRONYMS

| | |
|---|---|
| AFIP | Agency for Financial, IT, and Intermediary Services in FBiH |
| APIF | Agency for Intermediary, IT and Financial Services in FBiH |
| BiH | Bosnia and Herzegovina |
| CAD / CAM | Computer-aided design / Computer-aided manufacturing |
| CBC | Certified Business Consultant |
| CCA | Cluster Competitiveness Activity |
| CE | Conformity marking for certain products sold within EU |
| CEFTA | Central European Free Trade Agreement |
| CG | Comparison Group companies |
| CoA | Chart of Accounts |
| CoC | Chain of Custody Certification |
| COR | Contracting Office Representative |
| CSO | Civil Society Organization |
| DB | Designated Beneficiary |
| DCA | Development Credit Authority |
| DID | Difference-in-differences |
| ERP | Enterprise Resource Planning |
| EU | European Union |
| FBiH | Federation of Bosnia and Herzegovina |
| FIRMA | Fostering Interventions for Rapid Market Advancement |
| FSC | Forest Stewardship Council |
| GDP | Gross Domestic Product |
| HACCP | Hazard Analysis Critical Control Point |
| ILO | International Labor Organization |
| ISO | International Organization for Standardization |
| LiNK | Association for Entrepreneurship and Business Mostar |
| MEASURE-BiH | USAID/BiH Monitoring and Evaluation (M&E) Support Activity |
| M&E | Monitoring and Evaluation |
| MOU | Memorandum of Understanding |
| NBR | Independent office for Development |
| NDB | Non-Designated Beneficiary |
| NERDA | Northeast Regional Development Association |

| | |
|---|---|
| PAD | Project Activities Database |
| PLOD | Center for Promotion of Local Development Bihac |
| PMP | Performance Monitoring Plan |
| QBFC | Qualified Business Finance Consultant |
| REDAH | Development Agency for Herzegovina |
| REZ | Regional Development Agency for Central BiH region |
| RS | Republic Srpska |
| SAA | Stabilization and Association Agreement |
| SERDA | Sarajevo Economic Region Development Agency |
| SIDA | Swedish International Development Coordination Agency |
| SME | Small and medium enterprise |
| SOW | Statement of Work |
| UN | United Nations |
| UPiP | Association of Entrepreneurs and Employers in Zepce |
| USAID | U.S. Agency for International Development |
| USD | U.S. Dollar |
| USG | U.S. Government |
| VAT | Value-added tax |
| VET | Vocational Education and Training |
| VCF | Value Chain Facilitator |
| ZEDA | Zenica Economic Development Agency |
| ZUP Bascarsija | Business Improvement Zone Bascarsija |

# EXECUTIVE SUMMARY

Fostering Interventions for Rapid Market Advancements (FIRMA) was a $21 million activity financed jointly by United States Agency for International Development (USAID) and Swedish International Development Cooperation Agency (Sida) to support small and medium-sized enterprises[1] (SMEs) in the targeted sectors of Wood Processing, Tourism, and Light Manufacturing/Metal Processing in Bosnia and Herzegovina (BiH). FIRMA's objective was to increase sustainable economic growth as measured by increased sales, exports, sustainable employment and access to finance. FIRMA implementation spanned from September 2009 to May 2015 and the activity was implemented by a consortium led by Cardno Emerging Markets USA, Ltd.

USAID/Bosnia and Herzegovina (USAID/BiH) has commissioned IMPAQ International (IMPAQ) under USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH) to conduct a rigorous impact evaluation to examine the FIRMA intervention. The evaluation was conducted during the period of April 2015 to September 2015 and this is the final report.

## Evaluation Purpose and Evaluation Questions

The FIRMA evaluation, which combined an impact analysis and an implementation study, will contribute to knowledge and learning in the Mission related to three specific areas:

1) Assessing the impacts of FIRMA interventions on targeted SME's sales, exports, employment, and access to finance in three sectors (Wood Processing, Tourism, and Light Manufacturing/Metal Processing);
2) Helping USAID/BiH staff achieve a better understanding of activity implementation, lessons learned, and best practices; and
3) Providing USAID/BiH staff with empirical evidence and information that could inform future funding decisions and program designs.

The evaluation answers the following research questions, informed by the FIRMA's goals, structure, and logic model:

1. What impacts did FIRMA activity have on participating SME's outcomes (sales, exports, employment, and access to finance)?
2. To what extent did the impacts vary across sectors?
3. How was FIRMA activity implemented? In particular, how was the assistance facilitated through the regional and local economic development agencies implemented and to what extent did the value chain facilitator (VCF) approach change the overall impact on participating SMEs?
4. What challenges did FIRMA activity face in implementation and how were those challenges overcome?
5. What are the lessons learned and recommendations from beneficiaries' perspective for future donor or government interventions in targeted sectors?

## Project Background

USAID/BiH and Sida designed FIRMA to help BiH generate sustained economic growth and poverty reduction through increases in sales and employment and improved capacity of private enterprises to

[1] EU definition of SME: The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

withstand competitive pressures emanating from a globalized economy. The purpose of the FIRMA activity was to provide technical assistance to BiH's (1) Wood Processing, (2) Light Manufacturing/Metal Processing, and (3) Tourism sectors with the goal of improving the competitiveness in these sectors, increasing revenues and exports, and creating new jobs. The activity was designed to provide demand-driven assistance in the areas in which most discerning constraints in the targeted sectors were identified: including poor quality and design of products, inadequate marketing and links to global markets, limited supply of skilled labor, limited access to finance, and policy environment constraints. FIRMA activities were centered on aligning with EU requirements but also included the cross-cutting issues such as workforce development, access to finance, green growth, and gender and youth inclusion.

FIRMA has implemented a range of activities around its focus areas of access to finance, production and productivity, workforce development, and business environment. Specifically, FIRMA has collaborated with a network of 16 regional and local economic development agencies, associations, and NGOs (VCFs) to sustain services and support after the activity ends. Hence, the unique FIRMA approach was defined at the private sector value chain level. The design envisaged VCFs organizing stakeholders to first identify and prioritize competitiveness obstacles through value chain analysis, and then to originate and manage discrete activities to address these obstacles. FIRMA's role in the implementation design was to supervise and support these activities, and provide strategic and operational guidance, expert technical assistance, and grants from its Small Grants Fund. In order to maximize scale and impact, FIRMA implementation model was also designed to work jointly and pair up funds from private donors and public sectors to support the implementation of certain activities.

Technical assistance to the beneficiary companies provided through FIRMA interventions could be grouped in five assistance areas:

1. **Product development** (improve product design and product quality to meet standards and certification requirement of target markets);
2. **Enterprise productivity improvement** (improve manufacturing processes and tourism services; implement workforce development programs; introduce of new technologies and innovation and quality management systems);
3. **Market connections** (develop marketing strategies and analysis of export markets and products; facilitate visits to major regional trade fairs, and expand the network of trade representatives in main export markets);
4. **Access to finance** (assist SMEs in applying for lending with commercial banks; facilitate lending through DCA mechanism, and facilitate venture funding where possible); and
5. **Policy** (use collaborative process and mechanisms to identify policy obstacles for the SME development in the targeted sectors and create or enhance existing sustainable consultative mechanisms so that the strategies, policies and regulations are discussed, drafted and implemented in partnership with public and private stakeholders).

## Evaluation Methods and Limitations

This evaluation estimated the impacts of FIRMA interventions and used the results to answer a set of research questions. Answering some of the research questions was challenging because many of the observed beneficiaries' outcomes might have been influenced by factors other than the FIRMA interventions. Nonetheless, our technical approach isolated the effects of FIRMA from other potentially confounding factors.

We created groups that represent the counterfactual that most closely approximates the benefits of a randomized controlled trial (RCT), thus addressing the issue of potential selection bias in the impact estimates. Specifically, we constructed comparison group companies that are similar to those that received the intervention. We then estimated the FIRMA impacts through multivariate regression analysis based on a difference-in-differences (DID) design.

We complemented this quantitative analysis with a qualitative analysis and an implementation study. The implementation study triangulated qualitative data from several sources to answer research questions 3, 4, and 5. The implementation study enabled us to interpret the impact results and to descriptively explore which FIRMA interventions likely were the key drivers of development impacts.

We encountered a number of limitations during this evaluation, such as no baseline information against which to measure progress in the FIRMA implementation database**;** self-reporting of the beneficiary companies on the required data for indicator calculation used in the FIRMA implementation database during the first few years of implementation; lack of data for the comparison group in the FIRMA implementation database to conduct the impact evaluation; and several others. While we faced these limitations in evaluating the impact of the FIRMA interventions, we developed mitigation strategies to overcome many of them.

## Findings and Conclusions

***Evaluation Question 1:*** Using a rigorous quasi-experimental design with DID methodology, our impact analysis did not find any statistically significant effects for the full sample, nor for the Metal Processing sector. However, we did find statistically significant results in the Wood Processing sector. FIRMA interventions had a significant positive impact on Wood Processing sector employment. Specifically, the estimated effect of FIRMA interventions on Wood Processing beneficiaries' employment is 28 percent, statistically significant at 10% level. Generally, we did not find any significant and positive results for the exports related outcome variables.

***Evaluation Question 2:*** There were a lot of heterogeneities across these three sectors assisted by FIRMA and there was no clear pattern of the impacts generated by FIRMA. This observation may directly speak to the demand-driven, sector focused approach of FIRMA interventions. We did not find statistically significant impacts of FIRMA activities in Metal Processing and Tourism sectors. We observed no clear pattern of FIRMA's impacts on short and long term loans in our sector analysis, both in terms of signs and in terms of magnitudes.

***Evaluation Question 3:*** Our analysis indicated that there is not enough evidence that beneficiaries were chosen based on demand-driven approach. Overall, the VCF approach was not implemented faithfully to the implementation design proposed by the FIRMA implementation team, based on the information the Evaluation Team received from the VCFs, as well as from several key informant companies[2]. The VCF approach to FIRMA implementation and its logical model seemed plausible in its design, however, the actual implementation had many challenges, leaving the VCFs generally feeling that they were not true partners in the implementation process of FIRMA, and leaving some beneficiary companies feeling that the VCFs lacked sector specific knowledge. Consequently, while properly designed in theory, the VCF approach to some extent may have hindered the implementation process and contributed to the disconnection between FIRMA activities and on-the-ground SME needs.

***Evaluation Question 4*****:** We found that, overall, funds available for technical assistance and grants were not sufficient and that co-financing requirements were hard to meet for some beneficiary companies. While around half of the beneficiary company respondents found EU certification and workforce development related assistance very useful, almost all respondents mentioned that their biggest obstacles to doing business in terms of policy environment were not addressed. Our findings also suggest that access to finance assistance offered by FIRMA in the form of DCA Guarantee and Qualified Business Finance Consultants (QBFC) was not used by most key informant companies and the main

[2] Information we received from the key informant interviews were paragraphed in the text boxes throughout the report.

obstacles to access to finance by companies have not been addressed by FIRMA.

***Evaluation Question 5:*** The main lessons learned consistently expressed by the beneficiaries we interviewed include (1) Not enough differentiation was present in terms of assistance to companies at higher versus lower end of value-chain production. (2) While some beneficiaries viewed the VCF approach as appropriate given that the VCF they worked with was perceived as having relevant information about the sector and the companies, several respondents expressed that the assistance would be more effective through more effective and direct communication between FIRMA implementation team staff and the beneficiary companies. (3) Not enough customized assistance was given to the companies, as opposed to general training. And (4) Perception of the companies we interviewed was that the general policy environment for SMEs did not improve as a result of FIRMA interventions.

# 1. EVALUATION PURPOSE AND EVALUATION QUESTIONS

## 1.1 EVALUATION PURPOSE

Fostering Interventions for Rapid Market Advancements (FIRMA) was a $21 million activity financed jointly by United States Agency for International Development (USAID) and Swedish International Development Cooperation Agency (Sida) to support small and medium-sized enterprises[3] (SMEs) in the targeted sectors of Wood Processing, Tourism, and Light Manufacturing/Metal Processing in Bosnia and Herzegovina (BiH). FIRMA's objective was to increase sustainable economic growth as measured by increased sales, exports, sustainable employment and access to finance.

Ultimately, FIRMA aimed to advance the country's ability to meet the Copenhagen Economic Accession Criteria—existence of a functioning market economy and the capacity to cope with the competitive pressure and market forces within the European Union (EU). FIRMA implementation spanned from September 2009 to May 2015 and the activity was implemented by a consortium led by Cardno Emerging Markets USA, Ltd.

Guided by USAID'S Evaluation Policy, USAID/BiH commissioned IMPAQ International through USAID/BiH Monitoring and Evaluation (M&E) Support Activity (MEASURE-BiH) to design and conduct an evaluation of FIRMA. Given USAID/BiH's goal of evaluating interventions with the most rigorous methods available, IMPAQ researched the activity and available data sources in detail and determined that a rigorous impact evaluation of FIRMA was feasible. IMPAQ designed and conducted a rigorous quasi-experimental impact analysis together with an implementation study that provides a rich understanding of what was actually implemented and how. The FIRMA evaluation, which combined an impact analysis and an implementation study, will contribute to knowledge and learning in the Mission related to three specific areas:

4) Assessing the impacts of FIRMA interventions on targeted SME's sales, exports, employment, and access to finance in three sectors (Wood Processing, Tourism, and Light Manufacturing/Metal Processing);
5) Helping USAID/BiH staff achieve a better understanding of activity implementation, lessons learned, and best practices; and
6) Providing USAID/BiH staff with empirical evidence and information that could inform future funding decisions and program designs.

This evaluation covers the implementation period of FIRMA between 2009 and 2014. The MEASURE-BiH team conducted this evaluation from April 2015 to August 2015 with the majority of the field work in BiH took place between April and June of 2015.

[3] EU definition of SME: The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

## 1.2 EVALUATION QUESTIONS

The evaluation answers the following research questions, informed by the FIRMA's goals, structure, and logic model:

6. What impacts did FIRMA activity have on participating SME's outcomes (sales, exports, employment, and access to finance)?
7. To what extent did the impacts vary across sectors?
8. How was FIRMA activity implemented? In particular, how was the assistance facilitated through the regional and local economic development agencies implemented and to what extent did the value chain facilitator (VCF) approach change the overall impact on participating SMEs?
9. What challenges did FIRMA activity face in implementation and how were those challenges overcome?
10. What are the lessons learned and recommendations from beneficiaries' perspective for future donor or government interventions in targeted sectors?

The first two questions, the focus of the impact evaluation, seek to understand the extent to which FIRMA succeeded in improving some of the key outcomes and indicators in the logic model (discussed in Chapter 2). Although it was not possible for us to directly measure long-term impacts on sales, exports, employment, and access to finance given the timeframe of this evaluation, we estimated FIRMA's impacts on related outcomes that were linked to them in the logic model but were more proximal to the activities to assess whether these long-term impacts are plausible, an important indication for program sustainability. While we were particularly interested in distinguishing FIRMA effects on SMEs by the channels through which they worked with FIRMA (Value Chain Facilitator (VCF) vs. Non-VCF), the lack of data on the primary channel through which each beneficiary worked with FIRMA limited our analysis from addressing this question through rigorous econometric evaluation approach.

The remaining three evaluation questions, the focus of the implementation study, seek to describe the process of FIRMA implementation. Our implementation study documents the extent to which various components of the activity were implemented as planned and the reason for any deviations from the plans. Central part of the implementation study is examination of the VCF approach, unique to FIRMA activity. Although we were unable to examine the VCF approach within the impact analyses, the implementation study addresses this issue in evaluation question 4. The implementation study also identifies key facilitators of and barriers to FIRMA's successful implementation. Finally, our implementation study, to the extent possible, provides evidence on which specific interventions in FIRMA most likely led to measurable impacts and how these lessons from FIRMA interventions can be used to inform future donor or government SME support programs in targeted sectors.

# 2. FIRMA BACKGROUND

USAID/BiH and Sida designed FIRMA to help BiH generate sustained economic growth and poverty reduction through increases in sales and employment and improved capacity of private enterprises to withstand competitive pressures emanating from a globalized economy. The design of FIRMA was informed by lessons learned from precursor activities, primarily USAID/BiH Cluster Competitiveness Activity (CCA). CCA, implemented between 2004 and 2008, worked in Wood and Tourism sectors, creating clusters and assisting the SMEs with product design, quality, marketing, and promotion.

The purpose of the FIRMA activity was to provide technical assistance to BiH's (1) Wood Processing, (2) Light Manufacturing/Metal Processing, and (3) Tourism sectors with the goal of improving the competitiveness in these sectors, increasing revenues and exports, and creating new jobs. The activity

was designed to provide demand-driven assistance in the areas in which most discerning constraints in the targeted sectors were identified: including poor quality and design of products, inadequate marketing and links to global markets, limited supply of skilled labor, limited access to finance, and policy environment constraints. FIRMA activities were centered on aligning with EU requirements but also included the cross-cutting issues such as workforce development, access to finance, green growth, and gender and youth inclusion.

Some key constraints identified for FIRMA targeted sectors and cross-cutting areas during the activity design stage included:

- **Wood Processing**: The key challenge in this sector was finding new buyers. To attract new buyers, companies needed to develop a range of products that are in demand and to more effectively promote them in export markets. Specifically, to access export markets, suggested interventions included organizing attendance of BiH Wood Processing companies in trade fairs, establishing a network of sales agents and trade representatives in key export markets, improving product quality and design, and obtaining relevant product certifications. The development in the Wood Processing sector was also constrained with the availability of appropriate finance to support growth.
- **Light Manufacturing/Metal Processing**: The key obstacles in this sector included the inability to expand to a new market base (new buyers), high costs of obtaining certifications and implementing standards required by the EU, and the lack of skilled workforce. The sectors with high export potential within Metal Processing industry were automotive sector, cable industry, and metal processing of black and aluminum metals orientated towards EU markets. To expand to new market base, it was assessed that companies needed to attend trade shows and connect with buyers through trade missions and business-to-business meetings. Furthermore, to reduce the costs of fulfilling EU standards, export recognition status was required. To improve workforce development, adult practical training and adjustment of formal curricula to meet current and future industry needs were identified as essential.
- **Tourism**: FIRMA identified opportunities in three sectors within the Tourism sector: Sarajevo as a cultural and city destination, the Herzegovina region as a stand-alone destination for cultural and religious tours, and the general adventure outdoor tourism as the niche which is available throughout the country. Main identified needs in this sector included tourism promotion and development of the tourism product, including development of individual sites and festivals and the need to develop skills and secure licensing of the tourism workers and guides. The main diagnosed challenges included promotion through social media, and branding and familiarization of trips to foreign tour operators.

FIRMA was also expected to incorporate cross-cutting workforce development activities to improve the process of public-private dialogue in the development of curricula and the enrolment of students. During the activity design stage, it was assessed that despite high unemployment rate, BiH does not have sufficient amounts of skilled labor in all three sectors and that the education system produced graduates with poor or irrelevant skills resulting in a large number of workers who are considered unemployable. Career development practice has not been established despite several attempts to provide industry specific training.

FIRMA has implemented a range of activities around its focus areas of access to finance, production and productivity, workforce development, and business environment. Specifically, FIRMA has collaborated with a network of 16 regional and local economic development agencies, associations, and NGOs (VCFs) to sustain services and support after the activity ends. Hence, the unique FIRMA approach was defined at the private sector value chain level. The design envisaged VCFs organizing stakeholders to first identify and prioritize competitiveness obstacles through value chain analysis, and then to originate and manage discrete activities to address these obstacles. FIRMA's role in the implementation design

was to supervise and support these activities, and provide strategic and operational guidance, expert technical assistance, and grants from its Small Grants Fund. In order to maximize scale and impact, FIRMA implementation model was also designed to work jointly and pair up funds from private donors and public sectors to support the implementation of certain activities. Some of the tasks FIRMA prescribed in the design included :

- **Workforce Development Support**: Adult training programs that are adjusted to industry needs, funded by the government employment agencies and municipalities, and implemented by vocational schools.
- **Quality Certification**: Activities co-financed with the government at varying levels to support companies to get trade certifications required by EU legislation, implemented by local implementing partners (VCFs).
- **Improved Access to Markets**: Supporting beneficiary companies to attend local, regional, and international trade fairs, including technical assistance for product adjustment to market needs, promotional activities, and the organization of business to business networking.

Geographically, FIRMA was expected to work throughout the entire country, focusing on sectors with the greatest potential for growth through extensive work with the sixteen VCFs.

There were several activity intermediate goals of FIRMA. Technical assistance and grants support were expected to be provided in the areas of product development to:

(1) Ensure companies meet the standards and certification requirements of targeted markets;
(2) Improve productivity through technical assistance of manufacturing processes and the introduction of quality management systems;
(3) Support increased access to markets through attendance at trade fairs;
(4) Expand networks of trade representatives in the main export markets; and
(5) Support increased access to finance.

Additionally, FIRMA aimed to support the long-run goal of BiH's attainment of the Copenhagen agreement requirements for membership in the EU through:

(1) Incorporating workforce development as a key cross-cutting activity; and
(2) Improving the process of public-private dialogue in the development of curricula and the enrollment of students.

Based on FIRMA Implementation Contract, the implementing partner was held accountable for achieving results as measured by the performance indicators described in Table 1. These indicators were integrated into the FIRMA M&E Plan, which was organized by four work areas:

1. Competitiveness (measuring FIRMA's beneficiary SMEs' share of sectoral output; SMEs' sales and exports; number of SMEs with improved management practices; SMEs obtaining certification for international standards; financing mobilized with DCA guarantee)
2. Workforce Development (measuring persons completing workforce development training and SMEs' employment)
3. Gender/Inclusion (measuring women-led SMEs assisted by FIRMA and employment of the socially and economically excluded)
4. Business Environment (measuring policy, legal and regulatory changes adopted with FIRMA assistance)

As seen in Table 1, the Year 5 target for increased sales was 50%; for increased employment, the Year 5 target was 35%.

**Table 1. FIRMA Activity Contractual Performance Indicators**

| Indicator | Year 5 Target (Cumulative Increase) |
|---|---|
| **FIRMA beneficiaries' share of sectoral output** | 40% |
| **FIRMA beneficiaries' sales** | 50% |
| **FIRMA beneficiaries' employment** | 35% |
| **FIRMA beneficiaries' investment** | 40% |
| **Policy environment** | Policy constraints identified and prioritized; priority solutions and implementation mechanism defined; and solutions implemented. |

Source: FIRMA Implementation Contract.

Table 2 shows all performance indicators FIRMA reported to USAID/BiH throughout the life of the activity, along with the indicator targets and actual values through the life of the activity. Indicators presented in Table 2 were reported by FIRMA for the purpose of performance monitoring, which serves the purpose of better understanding of internal program activity and providing rapid feedback on program implementation outcomes.

FIRMA had set seventeen targets within its monitoring system. For example, one of them looked at the sales of beneficiaries participating in FIRMA interventions. FIRMA had an ambitious target of increase in sales by 50% over five years. As we see in the table, actual percentage of sale increase according to FIRMA monitoring table was right on target at 50%.[4] However, monitoring alone cannot answer whether the progress towards the expected results is attributable to FIRMA activity. The impact analysis, which we undertake in this report, will help us to address this issue.

Technical assistance to the beneficiary SMEs provided through FIRMA interventions could be grouped in five assistance areas:

6. **Product development** (improve product design and product quality to meet standards and certification requirement of target markets);
7. **Enterprise productivity improvement** (improve manufacturing processes and tourism services; implement workforce development programs; introduce of new technologies and innovation and quality management systems);
8. **Market connections** (develop marketing strategies and analysis of export markets and products; facilitate visits to major regional trade fairs, and expand the network of trade representatives in main export markets);
9. **Access to finance** (assist SMEs in applying for lending with commercial banks; facilitate lending through DCA mechanism, and facilitate venture funding where possible); and
10. **Policy** (use collaborative process and mechanisms to identify policy obstacles for the SME development in the targeted sectors and create or enhance existing sustainable consultative

[4] These percentage increases for indicators related to employment, sales, and exports were calculated by FIRMA implementation team as compound increases and did not take into account changing baselines due to changed coverage of beneficiaries from year to year. In addition, companies classified as DBs fluctuate significantly in the FIRMA implementation database, with companies going in and out of DB list from year to year. Thus, the Evaluation Team was not able to confirm the calculation of the increases reported by FIRMA and shown in Table 2 (and this was not the subject of this Evaluation).

mechanisms so that the strategies, policies and regulations are discussed, drafted and implemented in partnership with public and private stakeholders).

Given the demand-driven nature of FIRMA's technical assistance approach, FIRMA implemented a wide variety of interventions, both within and across sectors. Table 3 shows the number of FIRMA activities (types of assistance) per sector and per assistance area.[5] As seen in the table, most assistance was provided in the areas of market connections and enterprise productivity development.

Tables 4-7 provides illustrative lists of sample activities that were implemented through FIRMA for SMEs.[6] Specifically, Table 4 provides examples of FIRMA activities in the Wood Processing sector and Tables 5, 6, and 7 provide examples of activities in the Metal Processing, Tourism, and cross-cutting sectors, respectively.

**Table 2. FIRMA Activity Performance Indicators Reported to USAID/BiH**

| Performance Indicator | | | Contractually Required | Life of Activity Target | Life of Activity Actual |
|---|---|---|---|---|---|
| **Competitiveness** | 1 | Firms with improved management practices as a result of USG assistance | X | 565 | 567 |
| | 2 | Firms receiving USG assistance that obtain certification for International standards | | 230 | 255 |
| | 3 | Exports of firms receiving USG assistance to increase their exports | X | 60% | 75% |
| | 4 | Private financing mobilized with a DCA guarantee – Number of loans | | 60 | 7 |
| | 5 | Private financing mobilized with a DCA guarantee – Amount | X | 6.0 | 6,43 |
| | 6 | Aggregate economic scale of beneficiaries* | X | 40% | 53% |
| | 7 | Sales of project beneficiaries | X | 50% | 50% |
| | | *Sales of project beneficiaries – women led** | | | *48.9%* |
| | 8 | Employment of project beneficiaries | X | 35% | 55% |
| | | *Employment of project beneficiaries – women led** | | | *Female 17%*<br>*Male 82%* |
| | 9 | Business finance to project beneficiaries* | X | 40% | 52% |

[5] Note that, according to information we gained from the interviews with FIRMA staff, the database on FIRMA activities is not exhaustive.

[6] Source: FIRMA Implementation database.

| Performance Indicator | | | Contractually Required | Life of Activity Target | Life of Activity Actual |
|---|---|---|---|---|---|
| | 10 | Firms receiving USG assistance that obtain EU-aligned standards or certifications | | 230 | 255 |
| **Workforce Development** | 11 | Persons completing USG-funded workforce development programs | | 4,000 | 4,318<br>Female 1,455<br>Male 2,863 |
| | 12 | Persons gaining employment or better employment as a result of participation in USG-funded workforce development programs | X | 2,400 | 2,425<br>Female 604<br>Male 1,821 |
| | 13 | Persons participating in FIRMA-supported Workforce Development programs from disadvantaged – excluded groups | | 1,300 | 1,718 |
| **Gender / Inclusion** | 14 | Women-led businesses in the 3 FIRMA focus sectors | | #/10% | 188 |
| | 15 | FIRMA beneficiary SMEs employing the socially – economically excluded | | #/12% | 171 |
| **Business Environment** | 16 | Policy, legal and regulatory changes adopted in connection with USG assistance | | N/A | 30 |
| **Sustainability** | 17 | Implementing partners fully capable of taking over FIRMA functions and financially sustainable | | 7 | 7 |

Source: FIRMA Year 5 Annual Report, and for indicators 3, 7, and 8 data for Year 5 reported to MEASURE-BiH in June 2015.
#Final data not available for 2014, given for 2013.

## Table 3. Number of FIRMA Activities by Sector and Assistance Area

| Sector | Product Development | Enterprise Productivity Improvement | Market Connection | Access to Finance | Policy | Total |
|---|---|---|---|---|---|---|
| **Cross-Cutting** | 45 | 117 | 144 | 115 | 2 | **423** |
| **Metal** | 19 | 137 | 84 | | | **240** |
| **Tourism** | 16 | 30 | 109 | | | **155** |
| **Wood** | 42 | 124 | 201 | | | **367** |
| **Total** | **122** | **408** | **538** | **115** | **2** | **1,185** |

Source: Authors' calculations based on FIRMA Implementation database.

**Table 4. Examples of FIRMA Activities in Wood Processing Sector**

| Type of Assistance | Main Areas of Assistance | Examples |
|---|---|---|
| **Product Development** | Trade Certification Program | Trade Certification Program for Una-Sana Canton and Republic of Srpska Wood Companies obtained by 39 beneficiaries |
| **Enterprise Productivity Development** | Promotion | Industry Video and Web Portal for Wood Sector |
| | Enterprise Resource Planning (ERP) Systems | Ten beneficiaries implemented ERP and additional 4 had training in ERP |
| | Training | Eighteen beneficiaries received training in Forest Stewardship Council Chain of Custody. Fourteen beneficiaries received CAD/CAM trainings. |
| | Workshops | Sixteen beneficiaries attended workshops in CE Marking. Thirteen beneficiaries attended Doing Business in Crisis workshop, and 13 beneficiaries participated this workshop. |
| | Laboratory equipment | Equipping of laboratory for surface treatment, bonding and chemistry of wood at the Faculty of Mechanical Engineering Sarajevo |
| **Market Connections** | Fairs | FIRMA supported beneficiaries to attend thirteen different wood sector fairs, such as Belgrade Furniture Fair, IMM Cologne Fair, and GAST. In total, 88 beneficiaries participated at these fairs. |
| | Conferences and Seminars | EKOBIS WS Conference and Promotion – (27 beneficiaries participated) |
| | Competitions | SAN 2010 Competition in Chair's Design (28 beneficiaries participated) |

**Table 5. Examples of FIRMA Activities in Metal Processing Sector**

| Type of Assistance | Main Areas of Assistance | Examples |
|---|---|---|
| **Product Development** | Certification | Four beneficiaries received the Certification of Production Plants. Ten beneficiaries received education and certification in product and tool design. |
| | Promotion | Support in development of metal products catalogue. |
| **Enterprise Productivity Development** | Environmental Permits Action Plan | Presentation of the Action Plan to beneficiaries. |
| | Training | Some examples of trainings are: EU Directives Training (attended by 10 beneficiaries), High school teacher training in Solid Works, SolidWorks Basic Training in Gracanica (attended by 5 beneficiaries). |
| | Education and Certification | Education & Certification of Welding Engineers and Technologists held, attended by 13 beneficiaries. |
| | Seminars | Approved (and authorized) Exporter Status seminars held, as well as general seminars for exporters, attended by 66 beneficiaries in total. |
| **Market Connections** | Fairs and Trade Shows | FIRMA supported beneficiaries to attend thirteen different metal sector fairs, such as Aluminium and Metal Construction PSA for Swedish and German market, Automechanika & Autoinvest 2011 Fair in St.Petersburg, Automechanika Fair 2010- Frankfurt, BAU 2013 Munich, European Aluminum Fair 2010- Essen, Germany, Exhibition of MP beneficiaries at Hannover Fair 2014 and others. In total, 61 beneficiaries participated at these fairs. |
| | Conferences and Forums | Innovations in SME Development conference was organized by FIRMA and attended by 5 beneficiaries. FIRMA beneficiaries also participated at Metal Forum 2013. |
| | Focus and Group Meetings | Seven beneficiaries in total participated in Metal Sector Focus Group and Metal Processing VCF Working Group Meeting. |
| | Delegation Visits | Dutch business delegation visited seven beneficiaries. |

**Table 6. Examples of FIRMA Activities in Tourism Sector**

| Type of Assistance | Main Areas of Assistance | Examples |
|---|---|---|
| **Product Development** | Certification | Pilot certification and promotion of Bascarsija handcrafts. |
| | Newsletter and Magazines | Assistance was provided in developing newsletter Tour BiH and Monography: Una River and its Surroundings. |
| | Promotion | Sarajevo Destination Web portal was developed. |
| **Enterprise Productivity Development** | Improving Practices | Nineteen beneficiaries received assistance to improve their catering and management practices. |
| | Training | Tourism guides were trained - Specialized guide Training, Open Waters Life Guard Training, and Training and certification of Mountain Guides. |
| | Workshops | Sixteen beneficiaries attended workshop "Traditional Cuisine Workshop: Tourism and Traditional Cuisine of Herzegovina". |
| **Market Connections** | Festivals and Fairs | Eight beneficiaries attended 4 fairs (GRAPOS EXPO Fair, ITB Berlin Fair 2010, Promotion of Sarajevo 2014 at EMITT 2014 and Sarajevo City Break Regional Promotion – Stage 1: Weekend Media Fair Rovinj). Twelve beneficiaries participated in five festivals (e.g. Promoting Sarajevo Region in the Candidacy Process for Winter European Youth Festival 2015, and Regional promotion of Herzegovina cultural tourism). |
| | Study Trips | Study tour for regional tour operators was attended by five beneficiaries, as well as French Outdoor Journalists Study Trip, Scandinavian Tour Operators Fam Trip, Study Trip - US Flyfishing, Turkish Tour Operators Fam Trip and UK FAM Trips. |
| | Exhibition and Conferences | Participation in the National Museum Souvenir Shop Exhibition, Sarajevo City Hall - Tourism Attraction Exhibition, and Regional tourism conference 2011. |
| | Focus Groups and Competitions | Nineteen beneficiaries participated in the Tourism Accommodation Focus Group and 15 beneficiaries participated in the Tourism Agencies & Guides Focus Group. Two beneficiaries participated in Official Launch of My Sarajevo Photos Campaign and Competition. |

**Table 7. Examples of FIRMA Activities in Cross-Cutting Areas**

| Type of Assistance | Main Areas of Assistance | Examples |
|---|---|---|
| **Product Development** | Certification | Export Certification Support Phases II and III was implemented for five beneficiaries and Trade Certification Fund CBC for six beneficiaries. |
| | Safety Standards | Thirty-four beneficiaries participated in the EU Product Safety Standards Pre-Assessment. |
| **Enterprise Productivity Development** | Workshops | Thirty-one beneficiaries participated in workshops on Energy Efficiency and Experimental Workshop for the "Association for assistance to mentally disabled persons" in producing of didactical products. |
| | Seminars | Seven beneficiaries participated at the SO, HACCP and FSC CoC Seminar. Four beneficiaries participated in CE Mark and EU Directives Seminar. |
| | Education | Three education courses attended by eight beneficiaries: Facebook Education; Vocational Education and Employment of Candidates for Mechatronic; and Education, Certification and Employment of Trainees in Sconto-prom. |
| | Trainings and Presentations | Twenty beneficiaries participated in eleven trainings, including Vocational training, Training of Welders in Tesanj, FSC CoC and CE - Training, CE Mark Metal and other.<br>The presentation on women and entrepreneurship was presented to 28 beneficiaries. |
| | Establishment of VET Advisory Council | Twelve beneficiaries participated in VET Advisory Council. |
| **Market Connections** | Festivals | Twenty-nine beneficiaries participated in Sarajevo Green Design Festival 2011. |
| | Seminars | Fourteen beneficiaries participated in EU EXPRO II Seminar on BiH Export Strategy. |
| | Conferences | Ninety-five beneficiaries participated in conferences on Gender Mainstreaming and Regional Access to Finance. |
| **Access to Finance** | Presentation of available financial resources (grants and loans) for SMEs | Thirty-eight beneficiaries received this assistance. |
| | Qualified Business Financial Consultants | Seventy-three beneficiaries received this assistance. |
| | DCA | Seven beneficiaries received DCA guarantee through FIRMA. |
| **Policy** | Technical Standards Manual | Eighteen beneficiaries received this assistance. |

FIRMA also disbursed a total of 4,690,782 KM in grant assistance. Based on FIRMA implementation database, there were 241 grants made to 432 grantees in total, 220 of which were VCFs, as shown in Table 8. Out of these 432 grantees, 166 are unique grantees (note that, in addition to company beneficiaries and VCFs, this also includes for example individuals who received assistance for activities such as fair visits). Detailed list of grants is in Annex 7.

**Table 8. FIRMA Grantees' Characteristics**

| Sector | Grant Amount in KM | Grant Amount to VCFs | Number of Grantees | Number of VCF Grantees |
|---|---|---|---|---|
| **Cross-Cutting** | 1,661,658 | 1,297,177 | 185 | 145 |
| **Metal** | 569,771 | 128,725 | 66 | 26 |
| **Tourism** | 1,721,005 | 350,795 | 101 | 26 |
| **Wood** | 738,348 | 223,415 | 80 | 23 |
| **Total** | **4,690,782** | **2,002,531** | **432** | **220** |

Source: Authors' calculations based on FIRMA implementation database.

The main purpose of the Small Grants Fund was to serve as a catalyst for substantial impact on value-chains, clusters or other clearly identifiable industry or public good. For example, grants were to be used to promote new and innovative ideas, assist producers to meet international quality standards, promote collaboration on marketing and promotion of products, and conduct specific research, workshops, trainings and public education.

# 3. EVALUATION METHODS AND LIMITATIONS

We estimated the impacts of the FIRMA interventions and used the results to answer the research questions discussed above. Our technical approach was designed to isolate the effects of FIRMA from other potentially confounding factors. Theoretically, an ideal evaluation design would have compared outcomes for SMEs that received FIRMA interventions with outcomes for the same group if they had not received the technical and financial assistance through FIRMA. In practice, however, once SMEs received FIRMA's interventions, it is impossible to observe what would have happened if they had not received the interventions. We thus approximated the effects of FIRMA's interventions using a quasi-experimental design that compares outcomes of SMEs that received the interventions (treatment group) with outcomes for similar groups of SMEs that did not receive the interventions (comparison group). To estimate impacts, we used a difference-in-differences (DID) approach.

Below we describe our methods, data collection, and data analyses techniques that we used. This is followed by a description of methods, data collection, and data analyses techniques used for the implementation study.

## 3.1 IMPACT ANALYSIS

### 3.1.1 Method Description

To address evaluation research questions 1 and 2, we combined the FIRMA implementation database with external administrative data from the Agency for the Financial, IT, and Intermediary Services in the Federation of BiH (AFIP) and the Agency for Intermediary, IT, and Financial Services in Republika Srpska (APIF) across years 2008 to 2014. The AFIP/APIF data contains a wealth of SME baseline characteristics which helps us to identify a comparison group of SMEs that closely matches the FIRMA-assisted SMEs. Specifically, we apply a DID approach to the whole analysis sample and SMEs in the three sectors separately and estimate the following multivariate regression model for outcome variables related to sales, exports, employment, and access to finance:

$$\text{Outcome} = \alpha + \beta T + \gamma F + \delta(T \cdot F) + \lambda X + \varepsilon. \qquad (1)$$

The left-hand side of the equation is the outcome variable of interest. The variables on the right-hand side include:

- A dummy variable $T$ that is equal to 1 if the observation is in the treatment group and zero if otherwise. The estimate of $\beta$ captures the group effect. In other words, $T$ controls for any differences in the outcome variable that are associated with being in the treatment group.
- A dummy variable $F$ that is equal to 1 in the follow-up year and zero in the baseline year. The estimate of $\gamma$ captures the time effect. In other words, $F$ controls for any changes in the outcome variable that occur over time and are common for treatment and comparison group members.
- An interaction term $(T \cdot F)$ that is equal to 1 if the observation is in the treatment group and in the follow-up year, and zero otherwise (i.e., for comparison group members in both the baseline and follow-up years, and for the treatment group in the baseline year). The estimate of $\delta$ captures the impact of the project on the outcome variable—this is the parameter of interest.
- A vector $X$ of other relevant explanatory variables that may be related to the outcome of interest and will help control for baseline SME characteristics. Including explanatory variables such as SME baseline assets, equity, and employment level will reduce the amount of unexplained variation in the outcome variable, thereby increasing the accuracy of our parameter estimates.

For each regression model, we estimate: the parameters $\alpha$, $\beta$, $\gamma$, $\delta$, and the elements of the vector $\lambda$. All things being equal, positive parameter estimates that the corresponding right-hand side variable is associated with an increase in the outcome measure. Likewise, negative parameter estimates indicate a negative association. We use t-tests to measure the statistical significance of the parameter estimates. Where we find statistically significant differences, we can be confident that the corresponding right-hand side variable has an effect on the outcome variable.

### 3.1.2 Data Collection

Since the FIRMA activity design did not include an explicit comparison sample, the FIRMA implementation database did not include baseline data for participating SMEs and a comparison group of non-participating SMEs. As a result, we need an alternative data source to construct a comparison

sample. Fortunately, AFIP/APIF maintains an administrative database of the financial statements from all companies operating in BiH. We constructed seven-year unbalanced panel data (2008-2014) with AFIP and APIF comprehensive databases, which we accessed through TRON Systems.[7] These databases contain balance sheets and income statements of all registered companies that were legally obliged to submit their financial statements to AFIP/APIF throughout BiH.

The AFIP/APIF administrative financial database was used to:

1) collect financial data for the targeted SMEs (FIRMA Designated Beneficiaries (DBs) listed in the FIRMA Database[8]);
2) match FIRMA DBs with their financial statements in the administrative financial database;
3) identify comparison group of companies in the same sectors as the FIRMA beneficiaries (based on the industrial classifications used by FIRMA implementation team); and
4) collect financial information for those comparison companies.

On average, financial statements for approximately 28,700 companies (19,900 in FBiH and 8,800 in RS) are available for each of the observed seven years. The main advantage of the administrative financial databases is the comprehensiveness of the information for each company: identification number/tax ID, name, municipality, industry classification, legal form, all items from the most detailed balance-sheets and income statements, as well additional information on the salaries and the number of officially registered full-time employees.

Based on our analysis of the FIRMA implementation database, 383 DBs were identified in all of the three targeted sectors. Our initial data screening showed that out of the 383 unique DBs, 286 are businesses with a unique Legal Business Entity Tax ID number (and VAT number) whose financial statements were available in the administrative financial database, while the remaining 97 were removed from our data set due to the lack of data and the lack of possibility to identify a comparison group. These removed beneficiaries are mostly in Tourism sector (82 out of 97 removed companies) and are not registered as a legal business entity. Furthermore, out of these 286 companies, the financial statements for five companies were not available. Thus, the omission of these observations resulted in the sample size of 281 DBs.

[7] TRON systems d.o.o. is a Bosnia and Herzegovina based financial data vendor.

[8] Based on discussions with the FIRMA implementation team and our review of FIRMA documentation, FIRMA had two types of beneficiaries. The first type was Designated Beneficiaries (DBs), which were defined as those companies that received FIRMA assistance and have responded "yes" to the question of whether they considered themselves to have benefitted significantly from the FIRMA project" within annual surveys conducted by FIRMA. The remaining companies that responded to the surveys are treated as Non-Designated Beneficiaries (NDBs).Total number of DBs is 383 and total number of NDBs is 259. Only DBs were classified as treatment group in the impact analyses, while implementation study conducted interviews with both DBs and NDBs. In addition, out of 383 DBs, only 155 DBs existed consistently over all FIRMA beneficiary files (in the list of companies that received FIRMA surveys, in the list of companies that identified themselves as FIRMA beneficiaries within surveys, and in the list of FIRMA assistance types per company). Thus, we treated these 155 DBs as FIRMA's core beneficiaries and used it as a sampling frame for both selection of DB key informants within implementation study and as a starting point for one treated group analyzed in the impact evaluation.

## 3.2 IMPLEMENTATION STUDY

### 3.2.1 Method Description

The impact analysis is supplemented by a comprehensive implementation study. Implementation studies are an important complement to our impact evaluations. Although an impact analysis can assess the extent to which an intervention resulted in changes in key outcomes, an implementation study provides an understanding of what was actually implemented and how; why the intervention changed outcomes or did not; and, if it did, how it might have done so. Implementation studies can provide important documentation of how a program was implemented for subsequent refinement and program scale-up, if successful.

Making use of FIRMA activity documentation and other available data sources, the Evaluation Team conducted desk research, interviews with the USAID/BiH, Sida, and the FIRMA implementation team, and key stakeholder interviews to examine evaluation questions 3-5.

The desk study of FIRMA implementation included a review of all available documentation, including the FIRMA Implementation Contract, Annual Work Plans, Annual Reports, and Project Activities Database (PAD). The team also conducted semi-structured interviews (total of 55 interviews) with the FIRMA implementing partners, donors, and the beneficiaries - including VCFs, SMEs (Designate Beneficiaries – DBs, Non-Designated Beneficiaries – NDB, and Comparison Group – CG), and relevant government institutions. Semi-structured interviews with all stakeholders were the main data source to address research question 4 and 5.

The semi-structured interviews provided inputs into evaluation findings, conclusions, and recommendations. We consolidated the information that we obtained and analyzed it by a thematic analysis using information categories related to the evaluation research questions by interview transcript coding. We conducted a qualitative analysis of interview transcripts with NVivo software.

We analyzed the information that we obtained from the interviews using a process in which we consolidated multiple responses related to a similar theme by different categories of respondents, and analyzed them for general findings. In this manner, we were able to determine the common themes. Furthermore, we explored the qualitative data inductively and then coded them, transforming them into categorical data for further quantitative analysis. We performed this content analysis of interviews to uncover themes or categories and to give a detailed description of the FIRMA implementation process and FIRMA's contributions.

### 3.2.2 Data Collection

The data for the FIRMA implementation study came from a desk review and from semi-structured interviews. Below, we describe each of these sources.

**Desk review**

We conducted a desk review of FIRMA documentation provided by FIRMA implementation team and USAID/BiH. The documents that our team reviewed included:

- The FIRMA implementation contract and the subsequent extension: Providing contractual expectations and goals of FIRMA intervention;
- Performance Monitoring Plan (PMP): including data quality sheets for selected indicators, as well as annual targets;
- Annual Work Plans: including anticipated activities, stakeholders, and resources on annual basis;
- Annual Reports: containing summaries of activities, resources spent during the year, and results achieved when measured against the PMP indicators;
- Quarterly Reports: provide details on activities undertaken and subsequent results in addition to producing data on actual results achieved for results previously based on estimates; and

- Annual Baseline SME Surveys: conducted by the FIRMA implementation team to capture data on annual performance of activity beneficiaries.

We also reviewed other materials, including the FIRMA mid-term evaluation commissioned by Sida in 2011, the FIRMA database which contains lists of beneficiaries/partner organizations, and other industry/country specific reports. Annex IV provides a detailed list of the documents that we reviewed during this evaluation.

**Key informant semi-structured interviews**

We conducted extensive key informant interviews (total of 55 interviews) with different FIRMA stakeholders, including:

1) Interviews with 17 DB companies (a total number of 286 unique DBs with VAT number were assisted through FIRMA from 2009 to 2014, 155 of which were core beneficiaries)
2) Interviews with 5 NDB companies (a total number of 259 unique NDBs).
3) Interviews with 4 CG companies (a total number of 3,175 companies in these three sectors in 2014)
4) Interviews with 16 VCFs (entire population), including two interviews with one VCF (Foreign Trade Chamber of BiH), with two different organizational unit within this institution
5) Interviews with 8 Ministries (entire population) which were in FIRMA Coordination Body, including two interviews with one Ministry (Federal Ministry of Development, Entrepreneurship, and Crafts) in order to also capture feedback of both current Ministry management and a former Ministry employee who was in charge of cooperation with FIRMA
6) Interviews with FIRMA implementation team
7) Interview with USAID/BiH and Sida CORs for FIRMA

To select the key informants for the semi-structured interviews for all companies (DBs, NDBs, and CGs), we used a stratified random sampling approach. The population for all beneficiaries was stratified by two criteria:

1) three sectors served by FIRMA (Wood, Metal, and Tourism); and
2) size categories (small and large) as measured by the number of employees in these companies.

We chose sector categories to ensure the coverage of all sectors and sizes of companies served by FIRMA and to capture the specificities of each sector and of different company size categories in our evaluation. Table 9 shows the breakdown of the total number of unique Designated Beneficiaries by strata. We stratified the population into two size categories, with companies with fewer than 100 employee defined as small and companies with 100 or more employees defined as large. We extracted the sector strata directly from the FIRMA implementation database. The administrative employment data is used for the company size strata.

**Table 9. Total Number of DBs and Core DBs by Category**

| Sector/Size | DBs | | | Core DBs | | |
|---|---|---|---|---|---|---|
| | Small | Large | Total | Small | Large | Total |
| **Wood** | 81 | 19 | **100** | 39 | 12 | **51** |
| **Metal** | 85 | 35 | **120** | 43 | 22 | **65** |
| **Tourism** | 63 | 3 | **66** | 38 | 1 | **39** |
| **Total** | **229** | **57** | **286** | **120** | **35** | **155** |

Source: FIRMA implementation database

Next, we sampled randomly from the 6 (3×2) strata, selecting an initial list of the 24 DBs. We then contacted each of these firms to set up interview meetings. Unfortunately, some of the firms were

unavailable for interviews and thus the final list of firms for the key informant interviews included 17 DBs as indicated in Table 10.

**Table 10. Key Informant DBs by Category**

| Sector/Size | Small | Large | Total |
|---|---|---|---|
| **Wood** | 3 | 2 | **5** |
| **Metal** | 3 | 3 | **6** |
| **Tourism** | 6 | 0 | **6** |
| **Total** | **8** | **9** | **17** |

Source: FIRMA implementation database

In addition to these selected DBs, we also conducted interviews with companies in FIRMA-assisted sectors that did not receive direct FIRMA assistance. Specifically we selected companies that did not receive FIRMA assistance - NBD and CG SMEs - in order to gauge the feedback and perception of FIRMA by the SMEs working in the FIRMA-assisted sector but without direct FIRMA assistance. Specifically, we used stratified random sampling to select NBD key informant SMEs from the FIRMA implementation database of 259 NDBs based on sector stratification. Initial list of 6 NBDs was selected, and interviews were conducted with five of them that were available for interviews. Similarly, applying stratified random sampling on TRON database of 3,175 CG companies, an initial list of 6 CGs was selected, and interviews were conducted with four who were available.

The fourth group of FIRMA stakeholder interviewed were 16 VCFs. Table 11 provides a list of the VCFs.

**Table 11. Key Informant VCFs**

| |
|---|
| REDAH (Development Agency for Hercegovina) |
| Drvo Klaster BiH (Wood Cluster) |
| LiNK (Association for Entrepreneurship and Business Mostar) |
| NERDA (Northeast Regional Development Association) |
| PLOD Bihać (Center for Promotion of Local Development Bihac) |
| Chamber of Commerce of Republic Srpska |
| Chamber of Commerce of Una-Sana Canton |
| REZ (Regional Development Agency for Central BiH region) |
| Sarajevo Navigator/Linden |
| SERDA (Sarajevo Economic Region Development Agency) |
| UPIP Žepče (Association of Entrepreneurs and Employers) |
| Foreign Chamber of BiH |
| ZEDA (Zenica Economic Development Agency) |
| Green Tour |
| ZUP Baščaršija (Business Improvement Zone Bascarsija) |
| NBR (Independent office for Development) |

We also interviewed each of the eight Ministries which formed FIRMA Coordination Body. We carried out two interviews with one Ministry (Federal Ministry of Development, Entrepreneurship, and Crafts) in order to also capture feedback of both current Ministry management and a former Ministry employee who was in charge of their cooperation with FIRMA. Table 12 provides a list of Ministries that worked with FIRMA.

Finally, we conducted semi-structured interviews with USAID/BiH's and Sida's relevant staff.

We developed separate interview protocols based on elaboration of evaluation research questions and used them to conduct the semi-structured interviews with each of the types of key informants: The interview protocols are presented in Annex III.

In total, we conducted 55 individual interviews with stakeholders. Annex V provides detailed list of the key informant interviews. Figures 1 shows geographical presentation of all FIRMA stakeholders and those stakeholders interviewed by the Evaluation Team, indicating that our randomly selected key informants were broadly representative in terms of geographical coverage.

**Table 12. Key Informant Government Institutions**

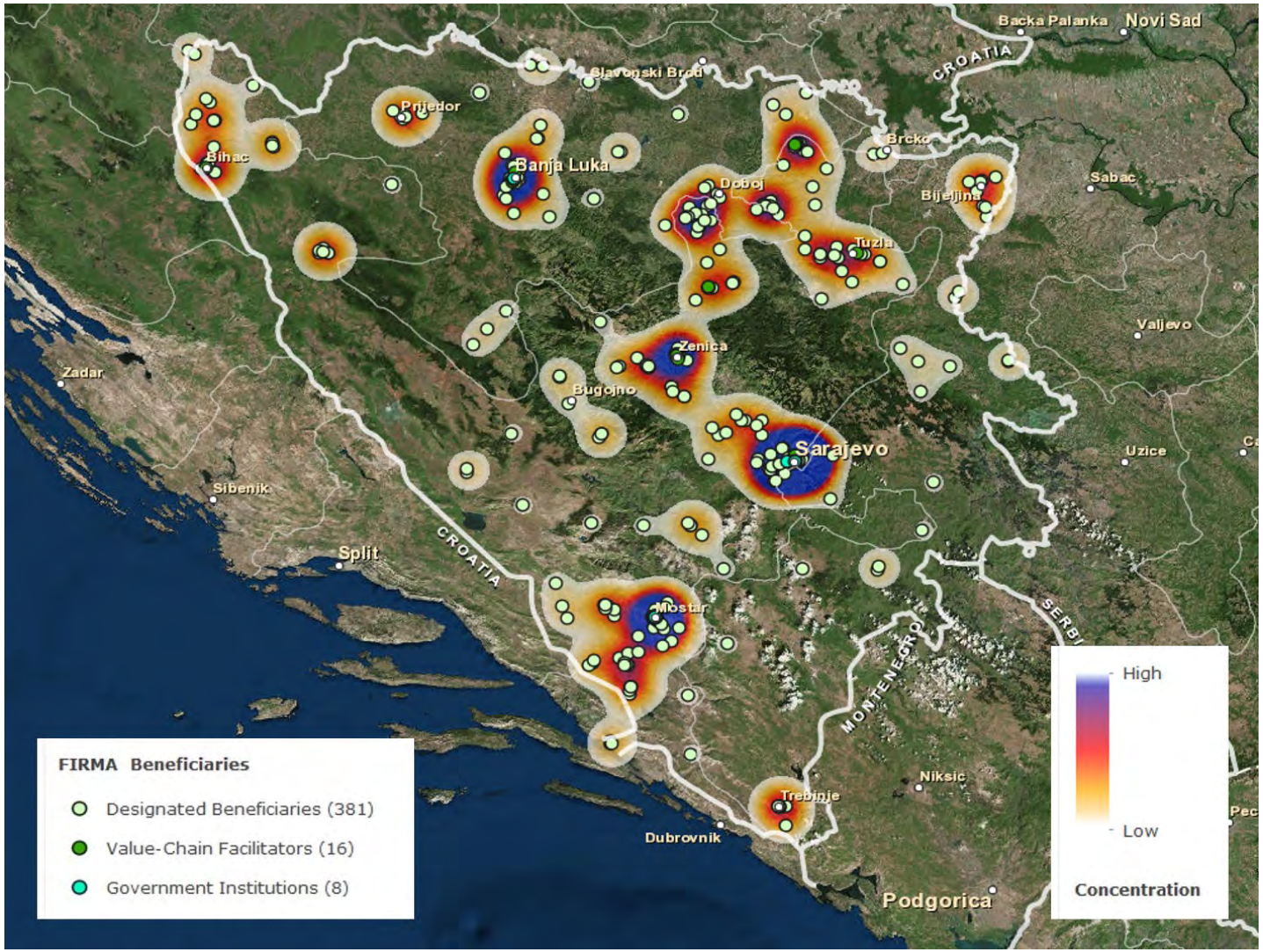
| |
|---|
| Ministry of Trade and Tourism - Republic Srpska |
| Federal Ministry of Development, Entrepreneurship and Crafts (in two parts) |
| Federal Ministry of Environment and Tourism |
| Ministry of Finance of BiH |
| Ministry of Foreign Trade and Economic Relations of BiH |
| Ministry of Economic Relations and Regional Cooperation - Republic Srpska |
| Federal Ministry of Energy |
| Ministry of Industry, Energy and Mining – Republic Srpska |

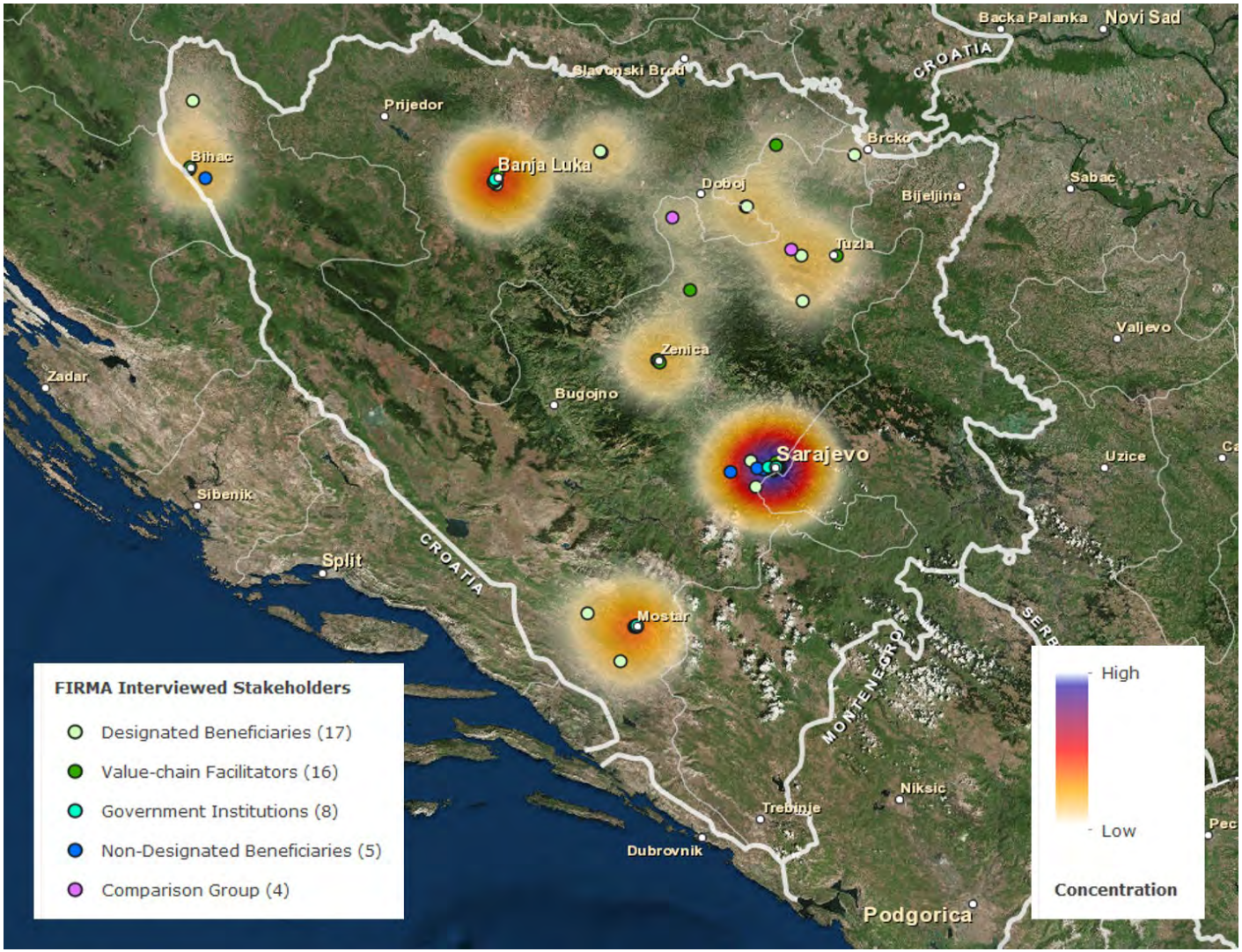
Finally, we conducted semi-structured interviews with USAID/BiH's and Sida's relevant staff.

We developed separate interview protocols based on elaboration of evaluation research questions and used them to conduct the semi-structured interviews with each of the types of key informants: The interview protocols are presented in Annex III.

In total, we conducted 55 individual interviews with stakeholders. Annex V provides detailed list of the key informant interviews. Figures 1 shows geographical presentation of all FIRMA stakeholders and those stakeholders interviewed by the Evaluation Team, indicating that our randomly selected key informants were broadly representative in terms of geographical coverage.

**Figure 1. All FIRMA Stakeholders and Interviewed Stakeholders**




Backa Palanka
Novi Sad
Slavonski Brod
CROATIA
Prijedor
Brcko
Bihac
Banja Luka
Doboj
Bijeljina
Sabac
Tuzla
Valjevo
Zenica
Zadar
Bugojno
Sarajevo
Uzice
Sibenik
Split
CROATIA
Mostar
MONTENEGRO
Niksic
Trebinje
Dubrovnik
Podgorica
FIRMA Interviewed Stakeholders
Designated Beneficiaries (17)
Value-chain Facilitators (16)
Government Institutions (8)
Non-Designated Beneficiaries (5)
Comparison Group (4)
High
Low
Concentration

## 3.3 EVALUATION LIMITATIONS

We encountered a number of limitations during this evaluation. This section describes the evaluation's principal limitations and the ways in which we attempted to mitigate them.

**Limitation1: No baseline information against which to measure progress in the FIRMA implementation database**

The FIRMA implementation database does not contain baseline information on the selected performance indicators and outcome variables for the comparison group.

*Mitigation*: We used data from AFIP/APIF official financial statements for treated and comparison companies for 2008-2014. For baseline data of treatment group, we used data from the year prior to their participation in any FIRMA interventions. For baseline data of comparison companies, we used data from 2008.

**Limitation 2: Data for indicator tracking in the FIRMA implementation database is partially self-reported by DBs**

During the first few years of FIRMA implementation, the data needed for monitoring indicators were collected from the DBs by the FIRMA implementation team. The FIRMA implementation team did not verify the data against the DBs' official financial statements. In 2011, FIRMA started purchasing the official financial statements to capture the required data. Meanwhile, they still continued to collect self-reported data from the DBs. Therefore, we had concerns over the data quality in the FIRMA implementation database.

*Mitigation*: We used data from AFIP/APIF official financial statements for targeted companies and not the self-reported data provided by the FIRMA implementation database.

**Limitation 3: Lack of data for the comparison group in the FIRMA implementation database to conduct impact evaluation**

A rigorous impact evaluation of FIRMA was not planned during the activity's design stage. FIRMA implementation team, thus, did not collect information on potential comparison companies. Due to possible beneficiary selection bias, it is likely that FIRMA participants were more successful with respect to each activity's goal than the non-participants to start with. Accordingly, if we analyzed only the financial statements of the FIRMA participants we could have likely overestimated FIRMA's impacts.

*Mitigation*: We collected data from companies that were not beneficiaries in the three sectors in which FIRMA assisted (Wood, Metal, and Tourism) to compare the changes in outcome variables through DID design.

**Limitation 4: Impact evaluation data limitation – official financial statements and industry sector classification (statistical classification of economic activities)**

Although the data from the official financial statements (for both beneficiaries and comparison group in the relevant sectors assisted by FIRMA) are the most comprehensive financial data available in BiH, we still faced several data limitations. The structure of financial statements differs between the two Entities. Furthermore, the official Chart of Accounts (CoA) in FBiH has changed during the FIRMA implementation period, so that the evaluation was based on two different CoAs for FBiH: one for 2008 to 2009 and one for 2010 to 2014.

Another limitation with the data is that the statistical classification of economic activities (industry sector classification) in the two entities was not harmonized until 2011. Namely, the FBiH classification adopted the EU classification in 2011, while this classification was in place in RS throughout the entire period (2008 to 2014). Moreover, a firm's official statistical classification shows only its self-reported primary economic activity; that is, a firm can be registered for a number of different activities, and it is

impossible to distinguish the share of the values of financial items coming from different activities in their financial statements.

*Mitigation*: We carefully analyzed the CoAs to ensure comparability across both Entities and throughout the entire FIRMA evaluation period (2008 to 2014). For statistical classification of economic activities, we used the bridging table between the two different classifications (one for FBiH for 2008 to 2010 and the other for FBiH for 2011 to 2014 and for the entire evaluation period for RS) provided by TRON Systems (see Annex VI). This ensured maximum possible comparability across Entities and across different time periods.

**Limitation 5: Bias associated with the small sample of DBs interviewed, their limited availability, and selection process**

We were able to visit only a relatively small sample of DBs for key informant interviews (5 percent of all FIRMA DBs and 11% of core FIRMA DBs) due to time and resource constraints. We attempted to secure a higher coverage of randomly selected sample of DBs (7% of all FIRMA DBs and 15% of core FIRMA DBs) for site visits but had to rely on their availability. A few of the randomly selected beneficiaries were unwilling to participate in the interviews due to their negative attitudes towards FIRMA. Seventeen of the 24 key informants who we randomly selected for the semi-structured interviews were able to meet with us.

Overall, we were concerned over the relatively small sample size and unknown representativeness of the beneficiaries that we visited, and, specifically whether these factors would impact adversely the external validity of the evaluation results.

*Mitigation:* We triangulated information from multiple sources to minimize the risk of reaching conclusions based on choice-based sampling. However, FIRMA implementation approach was to mainly work with the companies through VCFs, rather than directly. Thus, by combining randomly selected DBs (for semi-structured interviews) and interviewing the entire population of VCFs (16 of them) which worked with all of the DBs, we attempted to capture a comprehensive and accurate description of the activity implementation. Furthermore, the response rate of the DBs selected for interviews exceeded 70 percent (17 key informants out of 24 randomly selected companies).

**Limitation 6: Lack of gender-disaggregated data in the administrative financial information used for impact analysis**

There was only limited gender information in the FIRMA implementation database and there is no gender-disaggregated information in the AFIP/APIF administrative data. This limitation prevented us from carrying out subgroup group analysis based on gender in our impact analysis.

*Mitigation*: We presented subgroup breakdowns for gender related variables reported by the FIRMA implementation team.

**Limitation 7: Willingness of respondents to provide honest responses**

*Mitigation*: In order to encourage honest responses, we informed all of the key informants and that their responses would be kept confidential and that they would not be identified in the evaluation report in terms of the specific feedback that they provided.

**Limitation 8: Specificities of Tourism sector analyses**

There are several issues related to analyzing the impact of FIRMA on tourism companies and comparing beneficiaries to comparison tourism companies. First, Tourism sector in general is characterized by large share of informal economic activities, even higher than the aggregate unofficial economic activities in BiH. Furthermore, even those businesses that were registered were in large part not registered as legal business entity with VAT number (but rather as a physical entity). This situation may result in underreporting of both number of employees and financial flows. This data limitation is also reflected in

the fact that almost all of the FIRMA beneficiaries without an ID traceable in the TRON database were from Tourism sector). Second, FIRMA worked specifically in three areas of tourism: Herzegovina, Sarajevo, and adventure tourism. The third category of adventure tourism was the only one not geographically constrained. Comparing FIRMA tourism beneficiaries with the comparison group of companies throughout the country may thus not be optimal. Thirdly, Tourism sector comparison group includes companies that focus only/also on outgoing tourism, while FIRMA worked specifically to improve incoming tourism opportunities.

*Mitigation*: The Evaluation Team conducted sub-group analysis by sectors to examine the impacts of FIRMA on each targeted sector separately. Moreover, we have integrated these specificities of Tourism sector into our qualitative data collection process during the interviews.

# 4. FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

## 4.1 FINDINGS

### EVALUATION QUESTION 1

**What impacts did FIRMA activity have on participating SME's outcomes (sales, exports, employment, and access to finance)?**

Before presenting the results of the multivariate DID regression, we provide the summary statistics of the baseline characteristics for the treatment and comparison sample that were in the same sectors (see Table 13). The baseline information presented refers to the year before each treated SME participated in FIRMA. We extracted this information from the FIRMA implementation database. For comparison companies, we used 2008 as the baseline year. In our analysis, follow-up periods refer to all years after SME FIRMA participation, which vary from one year to five years depending on when the SME became a FIRMA beneficiary and their participation pattern.

As previously discussed, our analysis sample included 281 FIRMA beneficiaries, and 4,353 comparison companies identified from AFIP/APIF data based on statistical classification of economic activities of the FIRMA-assisted sectors. Additionally, due to the inconsistency in the DB lists that we obtained from the FIRMA implementation team,[9] we analyzed both full sample of DBs (383 companies, out of which 286 companies tax ID number and 281 had all relevant data available on TRON), as well as a subset defined as FIRMA core beneficiaries (155 companies, out of which 136 companies had all relevant data available on TRON).

Most of the SME characteristics tended to have skewed distributions which implies that the averages might be mostly driven by relative small number of companies. To facilitate the investigation of baseline and follow-up SME comparisons, we also presented the median values along with the means for each variable except the dummy variables, which indicated if the company had any exports. It is also worth noting that the FBiH financial statements used up to 2010 did not include information about exports, so we did not have company exports information for years 2008 and 2009.

[9] Out of the 383 companies identified as DBs by FIRMA, only 155 DBs showed up consistently over all FIRMA files - in the list of companies that received FIRMA surveys, in the list of companies that identified themselves as FIRMA beneficiaries within surveys, and in the list of FIRMA assistance types per company.

**Table 13. Baseline Characteristics for FIRMA Treatment SMEs and Comparison Group**

| Characteristics (KM Unless Specified Otherwise) | Treated (281) | | Core Treated (136) | | Comparison | |
|---|---|---|---|---|---|---|
| | Average | Median | Average | Median | Average | Median |
| Assets | 5,680,914 | 2,462,697 | 6,398,111 | 3,139,705 | 1,828,345 | 263,225 |
| Equity | 2,857,445 | 775,849 | 3,169,700 | 836,349 | 1,022,745 | 57,479 |
| Employment | 52 | 25 | 65 | 30 | 13 | 4 |
| Profit | 174,994 | 20,224 | 202,317 | 21,957 | -15,800 | 904 |
| Short term loans | 227,550 | 18,273 | 231,385 | 7,700 | 78,551 | 0 |
| Long term loans | 679,956 | 94,657 | 843,085 | 134,622 | 149,962 | 0 |
| Sales | 3,849,827 | 1,520,879 | 4,838,983 | 2,095,065 | 719,296 | 132,079 |
| Percentage Exports | 0.76 | - | 0.81 | - | 0.48 | - |
| Exports | 2,154,739 | 297,266 | 3,023,578 | 635,841 | 226,291 | 0 |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database.

At baseline, as seen in Table 13, the average FIRMA treated company had total assets valued at almost 5.7 million KM. This average valuation was driven mostly by some large companies, as the median value is approximately 2.5 million KM. The core DB treated group has on average higher total assets compared to the full treatment group (6.4 million KM as compared with 5.7 million KM). Comparison SMEs were much smaller on average both in total assets and in equity value. For example, baseline average equity for the two treated samples were 2.9 million KM and 3.2 million KM while the corresponding value for the comparison group was less than half at about 1.0 million KM.

The number of full time employees was very different between FIRMA treated companies and the comparison group (an average of 52 and 65 for the treated samples and 13 for the comparison sample). As for indicators of access to finance, we examined short and long term loan values for the SMEs in our sample. As shown in Table 13, the average values of short term loans were about 230,000 KM for the two treated groups and less than 80,000 KM for the comparison sample.

Baseline sales figure averaged about 3.8 million KM for the full treated sample, about 4.8 million KM for the core treated sample, and about 720,000 KM for the comparison sample. About 75 to 80 percent of all the SMEs in the FIRMA DB group already had exported their products before FIRMA assistance while the proportion of companies that exported in the comparison sample was a lower 48 percent.

We tested the baseline equivalence between treatment and comparison groups using statistical tests. In general, we found that many statistically significant treatment-comparison baseline differences were present in our sample. These differences highlight the non-random nature of FIRMA beneficiary selection and the associated challenges for impact evaluation. Overall, the FIRMA beneficiaries tended to be larger in assets, equity, loan amounts, sales, employment, and exports compared to companies that were not part of FIRMA activities before FIRMA started to implement interventions. Any unconditional differences of outcome variables between treated and comparison SMEs likely would have been contaminated with selection bias and yielded biased impact estimates for FIRMA interventions. We took into account these observable differences through the multivariate regression framework that we used to implement the DID design.

Our analysis of the impacts of FIRMA interventions on companies' sales, exports, employment, and access to finance are shown in Table 14-17. In Tables 14 and 15, we show the impact results for the full treatment sample of 281 DBs; in Tables 16 and 17, we show the impact results for the core DB group of

136 of beneficiary companies. We also show separate results for the period from 2009 to 2014 and for the period 2009 to 2013 that excludes 2014, a year that was drastically affected by floods and landslides that destroyed many businesses. Exclusion of 2014 is also warranted due to fact that USAID/BiH redirected its funds and assistance provided by its activities, including FIRMA, to alleviate the effects of floods. FIRMA specifically provided grants to flood-affected SMEs for partial equipment replenishment and/or building/factory reconstruction.

The dependent variables in our analysis are the logarithms of sales, exports, employment, short term and long term loan values; we also used a dummy variable to indicate if a company has any exports. The estimates can be interpreted as percentage change on the corresponding outcome variables. As indicated in the impact analysis results, FIRMA interventions had a positive but not a statistically significant effect on employment (ranging from 5 percent to 9 percent depending on the treatment sample and evaluation period). Also, focusing only on the core FIRMA DB sample of 136 beneficiaries, Tables 16 and 17 show that FIRMA interventions had positive but not a statistically significant effects on sales and exports. For example, in Table 16, the estimated FIRMA impact on SME sales is 22%, although it is not statistically significant at conventional levels.

In our impact analysis, we examined use of short- and long-term loans as an indicator of access to finance. According to the FIRMA contract, the implementation model of FIRMA's access to finance initiative consists of (1) improving company-level financial management and operational efficiency, (2) stimulating financial product innovation on the part of banks, and (3) supporting effective consulting intermediation between companies seeking finance and financial institutions. Although we do not believe that access to finance can be accurately captured without properly designed enterprise survey data[10] for both FIRMA treatment and comparison group companies, information on short term and long term loans provided us with the best available information in the AFIP/APIF database related to companies' financing outcomes and that was directly related to the performance indicator tracked by FIRMA implementation team. Looking at whole sample estimates in Tables 14-17, FIRMA interventions had negative but not statistically significant effects on both long-term loans and short-term loans. Although the magnitudes of these effects varies depending on which treated sample and time period we examined, they were all not statistically significant at conventional levels.

Examining across the four tables, overall, we did not find any statistical significant impacts of FIRMA interventions on sales, exports, employment, and access to finance. This results can be due to a number of factors identified in the discussion of limitations to the analysis that we identified above. For example, we started with a relatively small sample of DBs and the number was further reduced due to data limitations. The baseline characteristics of the comparison sample was substantially different than the treatment group. Finally, we must recognize the possibility that the FIRMA interventions did not have a statistically significant impacts on the beneficiaries.

[10] The surveys conducted by FIRMA implementation team included some questions on finances, however it is not clear what exactly was asked. In addition, raw data with survey results was not provided to the Evaluation Team.

**Table 14. FIRMA Impacts on Sales, Exports, Employment, and Access to Finance**

**(2009-2014, Treatment Group: 281)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Whole Sample | -0.05<br>(0.19) | -0.07<br>(0.20) | -0.04<br>(0.03) | 0.08<br>(0.08) | -0.53<br>(0.52) | -0.62<br>(0.52) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 15. FIRMA Impacts on Sales, Exports, Employment, and Access to Finance**

**(2009-2013, Treatment Group: 281)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Whole Sample | -0.12<br>(0.13) | -0.01<br>(0.21) | -0.02<br>(0.04) | 0.09<br>(0.08) | -0.03<br>(0.56) | 0.25<br>(0.56) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 16. FIRMA Impacts on Sales, Exports, Employment, and Access to Finance**

**(2009-2014, Treatment Group: 136)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Whole Sample | 0.22<br>(0.20) | 0.06<br>(0.25) | -0.01<br>(0.05) | 0.07<br>(0.16) | -0.52<br>(0.72) | -1.00<br>(0.69) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 17. FIRMA Impacts on Sales, Exports, Employment, and Access to Finance**

**(2009-2013, Treatment Group: 136)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Whole Sample | 0.13<br>(0.20) | 0.11<br>(0.64) | 0.00<br>(0.05) | 0.05<br>(0.12) | -0.01<br>(0.77) | -0.32<br>(0.74) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

## EVALUATION QUESTION 2

**To what extent did the impacts vary across sectors?**

The Evaluation Team conducted detailed sub-group analysis to investigate the FIRMA impacts by sectors. We ran separate DID multivariate regressions for each of three FIRMA targeted sectors for each FIRMA DB treated groups and evaluation time period, the results are presented in Table 18 through Table 21.

Our examination of the impact estimates for the three sectors yielded several observations.

- There were a lot of heterogeneities across these three sectors assisted by FIRMA and there was no clear pattern of the impacts generated by FIRMA. This observation may directly speak to the demand-driven, sector focused approach of FIRMA interventions.
- We did not find statistically significant impacts of FIRMA activities in Metal Processing and Tourism sectors. Although we detected suggestive evidence that FIRMA interventions had positive effects on sales, exports and employments in the Metal Processing sector, none of the estimates was significant at the 10 percent level.
- We found that FIRMA's interventions had a significant effect on employment in the Wood Processing sector with an increase of employment of 28 percent. This estimate was statistically significant at a 10 percent level. We did not detect any significant results for the exports related outcome variables.
- Similar to the results on sales, exports, and employment, we observed no clear pattern of FIRMA's impacts on short and long term loans in our sector analysis, both in terms of signs and in terms of magnitudes. In summary, although we found suggestive empirical evidence of negative effects on short term and long term loans with varying magnitudes, these estimates were measured with low precision and were more likely to be due to chance.
- Comparing Tables 18 and 19 to Tables 20 and 21, the Evaluation Team found suggestive evidence that FIRMA had produced more favorable effects in sales, exports, and employment to core DB group with 136 beneficiary SMEs relative to the larger treated group of 281 beneficiary companies.

**Table 18. FIRMA Impacts by Sectors**
**(2009-2014, Treatment Group: 281)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| **Wood Processing** | -0.04<br>(0.34) | -0.33<br>(0.29) | -0.01<br>(0.06) | 0.28*<br>(0.15) | -0.44<br>(0.81) | -1.31*<br>(0.79) |
| **Metal Processing** | 0.15<br>(0.24) | 0.11<br>(0.77) | 0.01<br>(0.06) | 0.07<br>(0.12) | -0.56<br>(0.89) | -0.48<br>(0.87) |
| **Tourism** | -0.21<br>(0.43) | -1.16<br>(0.84) | -0.15*<br>(0.08) | -0.05<br>0.13 | -0.50<br>(1.03) | 0.53<br>(1.06) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 19. FIRMA Impacts by Sectors (2009-2013, Treatment Group: 281)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Wood Processing | -0.12<br>(0.25) | -0.24<br>(0.31) | -0.02<br>(0.06) | 0.25<br>(0.16) | -0.23<br>(0.91) | -0.10<br>(0.85) |
| Metal Processing | 0.06<br>(0.25) | 0.02<br>(0.34) | 0.03<br>(0.06) | 0.05<br>(0.13) | 0.21<br>(0.96) | 0.34<br>(0.94) |
| Tourism | -0.18<br>(0.41) | -0.44<br>(0.93) | -0.07<br>(0.09) | -0.03<br>(0.14) | 0.02<br>(1.12) | 0.84<br>(1.13) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 20. FIRMA Impacts by Sectors (2009-2014, Treatment Group: 136)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Wood Processing | 0.52<br>(0.45) | 0.49<br>(1.20) | 0.06<br>(0.08) | 0.25<br>(0.24) | -0.39<br>(1.15) | -0.85<br>(1.02) |
| Metal Processing | 0.35<br>(0.30) | 0.48<br>(0.97) | 0.04<br>(0.07) | 0.08<br>(0.17) | -0.58<br>(1.19) | -1.25<br>(1.20) |
| Tourism | -0.32<br>(0.42) | -1.37<br>(1.35) | -0.20<br>(0.13) | -0.12<br>(0.22) | -0.21<br>(1.53) | -0.31<br>(1.37) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

**Table 21. FIRMA Impacts by Sectors (2009-2013, Treatment Group: 136)**

| Outcome Variable | Sales | Export | Percentage Exports | Employment | Short term loans | Long term loans |
|---|---|---|---|---|---|---|
| Wood Processing | 0.38<br>(0.46) | 0.78<br>(1.33) | 0.07<br>(0.09) | 0.18<br>(0.25) | -0.21<br>(1.26) | 0.16<br>(1.05) |
| Metal Processing | 0.21<br>(0.32) | 0.57<br>(1.03) | 0.04<br>(0.08) | 0.08<br>(0.18) | 0.24<br>(1.28) | -0.57<br>(1.33) |
| Tourism | -0.17<br>(0.30) | -0.72<br>(1.43) | -0.13<br>(0.14) | -0.05<br>(0.22) | 0.38<br>(1.63) | -0.25<br>(1.43) |

Source: Authors' calculations based on AFIP/APIF and FIRMA implementation database. Note: Standard errors are in the parentheses. */**/*** significantly different from 0 at the 0.1/0.05/0.01 levels, respectively, two-tailed test.

## EVALUATION QUESTION 3

**How was FIRMA activity implemented? In particular, how was the assistance facilitated through the regional and local economic development agencies implemented and to what extent did the value chain facilitator (VCF) approach change the overall impact on participating SMEs?**

For the implementation study, we collected both quantitative and qualitative from a variety of sources including quantitative data from the FIRMA implementation database, qualitative data collected by the Evaluation Team through key informant interviews, as well as official administrative data from TRON. These data helped us to examine the characteristics of FIRMA beneficiaries, FIRMA implementation process, and explore mechanisms linking activities to the outcomes measured in the impact analysis.

FIRMA had two types of beneficiaries. The first type was Designated Beneficiaries (DB), which were defined as those companies that received FIRMA assistance and have responded "yes" to the question of whether they considered themselves to have benefitted significantly from the FIRMA project" in the annual surveys conducted by the FIRMA implementation team. Total number of Designated Beneficiaries is 383 (155 of which are identified as core beneficiaries) and total number of Non-Designated Beneficiaries is 259. Our implementation study is based on interviews with both Designated and Non-Designated Beneficiaries, as well as with the companies from the Comparison Group, as explained in Chapter 3 and Annex V.

Our analysis indicated that there is not enough evidence that beneficiaries were chosen based on demand-driven approach. FIRMA beneficiaries were mostly selected based on VCF contact lists (seven out of seventeen interviewed DBs indicated that their participations in FIRMA interventions are the result of their regular cooperation with the VCFs) or selected from the beneficiaries of the previous USAID/BiH's SME support activity Cluster Competitiveness Activity - CCA (in total, half of the interviewees). The implementation contract prescribes that FIRMA will provide targeted, demand-driven assistance to SMEs in selected sectors in addressing critical constraints for growth such as poor quality/design of products, inadequate marketing and links to global markets, limited supply of skilled labor, and limited access to finance. Based on interviews conducted by the Evaluation Team, FIRMA beneficiaries were chosen largely by the VCFs, which used their contact lists to reach out to companies. Another way in which companies became FIRMA beneficiaries is based on contacts they had with FIRMA implementation team staff who worked on CCA. Finally, a few companies (four) noted that they became FIRMA beneficiaries because they were directly approached by FIRMA staff.

In addition, we found that the way in which FIRMA identified its DBs may have been problematic, given that a few (three) of the key informant companies believed that they should not have been classified as DBs at all as they perceived the assistance they received from FIRMA as not substantial/non-existent. They were all recorded as core beneficiaries in the FIRMA implementation database. Overall, the Evaluation Team did not find enough evidence of demand-driven implementation approach of the FIRMA activity.

In order to further examine the way in which the beneficiaries and specific types of technical assistance provided to them were selected and implemented, it is essential to understand how the VCF model was implemented by the FIRMA implementation team. Our qualitative data suggested that VCFs in general perceived their role in FIRMA to be much weaker in practice in comparison to the design, both in terms of strategic decision-making and the allocation of financial resources available to FIRMA.

The VCF logical model and implementation approach were developed by the FIRMA implementation team and was not prescribed by the implementation contract. Sixteen organizations (including regional development agencies, commerce chambers, clusters, and business associations, and similar NGOs) were chosen to be the 'Implementing Partners' of FIRMA (the list of the VCFs is given in Table 7 in Section 2). The development of the VCF approach was built on the notion of local capacity building and

ownership in which VCF institutions could continue providing similar assistances to SMEs in BiH upon FIRMA's completion. Furthermore, it was argued that the VCF institutions understood sector-specific ground situations/trends and that their relationships with the companies were strong. Therefore, according to the VCF logical model, resources and time could be utilized more efficiently by taking advantage of the existing analyses and knowledge by the VCFs (many of which have been supported by the USAID previously).

During the FIRMA implementation, VCFs signed Purchase Order Contracts with the FIRMA implementation team, which, inter alia, obliged them to conduct surveys and maintain information about the companies, to be members of Sector Working Groups, to originate and manage FIRMA grants and technical assistance, as well as to implement some of the FIRMA activities such as training and workshops. While this envisaged a larger role of the VCFs in terms of action planning and selecting types of assistance, in practice, almost half of the VCFs perceived that they were not given enough freedom in this process. The VCFs in general contributed somewhat to the process of initial action planning, although it was planned that the Action Plans would be updated in a similar participatory process. We found that types of assistances following the initial year were established only within the FIRMA Work Plans prepared by the FIRMA implementation team with limited inputs from the VCFs.

Overall, the VCF approach was not implemented faithfully to the implementation design proposed by the FIRMA implementation team, based on the information the Evaluation Team received from the VCFs, as well as from several key informant companies[11]. The VCFs generally did not feel like true partners during FIRMA implementation both in the decision-making process and in cost sharing. On the other hand, some of the key informant companies (around one third) implied that the VCFs they were supposed to work with did not have enough capacity or knowledge of what the specific needs of the beneficiary companies were.

**THE VCF APPROACH VERSUS MORE DIRECT AND CUSTOMIZED ASSISTANCE TO COMPANIES**

*Our role in FIRMA implementation ended up being different in comparison to what we were told at the beginning of FIRMA. We were even supposed to be giving recommendations of who should get grants, which never materialized. The process of preparation of Action Plan was not participatory and the Action Plans were never updated.*

*Concept of VCF approach was good in theory and I was glad to go through the planning process at the beginning of FIRMA. However, in the end, all decisions were made by FIRMA staff.*

*The VCFs were supposed to be partners in implementation, this was not materialized in neither decision making nor allocation of resources.*

*The bottom line is that those VCFs who were proactively contacting FIRMA and finding ways to adjust their own activities in order to comply with FIRMA rules were able to benefit and build their capacities.*

*We established real partnership with FIRMA, the staff trusted us with organization of important activities, and as a result, workforce development programs we implemented with FIRMA had good results.*

-FIRMA VCFs

*It would be better for USAID to talk more to individual companies and provide us with customized assistance.*

*People in (the VCF institution we work with) are knowledgeable and they linked us with potential buyers and agents in some foreign markets. This was valuable to us, we probably would not be able to do so without them. At the same time, we also have very specific needs (such as training to use a specific piece of advanced machinery) for which we would need donor to have customized approach in assisting us.*

*The training we need should be designed and delivered by people who have actual practical experience of working in our sectors, rather than VCFs who simply do not have that.*

- FIRMA beneficiary companies

Not only the implementation of the VCF approach did not take place as planned in some aspects, our analysis based on FIRMA documentation review and key informant interviews revealed that the VCFs

[11] Information we received from the key informant interviews were paragraphed in the text boxes throughout the report.

were overly heterogeneous in their involvement, capacities, and feedback on usefulness of FIRMA assistance and its sustainability. Firstly, during the action planning stage at the beginning of FIRMA implementation, it seemed that VCFs in the Metal Processing sector were more involved in setting up agenda for FIRMA interventions than the other two sectors. Secondly, our qualitative research found that the VCFs that had most benefits from FIRMA were those VCFs that represented strongest and viewed FIRMA as a way to somewhat compliment their usual activities where possible. These institutions, such as Foreign Chamber of BiH, RS Chamber of Commerce, and REZ, were able to collaborate with FIRMA by insisting on more detailed specifications of possible FIRMA contributions and rules (in terms of financial framework, costs of assistance, types of possible assistances etc.). However, some of the stronger institutions still did not engage actively in FIRMA activities as planned, they generally perceived that they were treated as a technical secretariat rather than a true implementing partner. Thirdly, the strongest VCF institutions with higher and more stable budgets and larger workforce were able to utilize FIRMA activities to support their usual duties to maximize complementarities, which usually ended up in successful cooperation. The VCFs with limited budgets and workforce were not able to actively participate in FIRMA as planned since remuneration of FIRMA was not sufficient to cover the associated VCF costs. For example, one VCF gave up its participation in FIRMA in order to fulfill obligations for other donor projects which paid higher fees for their collaboration on implementation. Taking these findings altogether, the VCF sustainability after FIRMA will also demonstrate a lot of heterogeneities. While more active VCF participants and stronger VCFs testified that the FIRMA participation resulted in increased staff capacities and has helped them to be more prepared for other donor projects, there was no qualitative evidence that FIRMA participation directly contributed to their sustainability.

Tables 4-7 in Section 2 illustrated the types of assistances provided through FIRMA. We did not find sufficient evidence that FIRMA beneficiary and assistance type selection took into account an important aspect laid out in the FIRMA implementation objectives –the value-added level of production. Our interviews with both beneficiary companies and the VCFs indicated that even though exporting potential was taken into account (although several interviewed companies only had domestic sales), there was generally not enough differentiation between the exports' value-added level on the scale of raw materials to the final production.

**DISTINGUISHING TYPE OF COMPANIES TO ASSIST IN FIRMA**

*Donors and our governments need to have clear criteria and strategy in what type of companies they should assist. It should be clear to everyone that companies that produce high-value added final products should be assisted as opposed to those who export simple raw material.*

- a FIRMA comparison group company

Our findings also suggested that the beneficiary companies generally perceived workforce development programs and assistance in export/EU certifications as the most useful, while the feedback on training in general was mixed.

We found that the VCFs which were more involved in FIRMA activities generally viewed the types of assistance provided by FIRMA as appropriate to address SME needs, although most of them (two thirds) acknowledged that additional customized assistance to the beneficiary companies would have been useful. Generally, the VCFs responded that the fairs, B2B meetings, and workforce

**MIXED PERCEPTIONS OF USEFULNESS OF FIRMA'S TRAINING**

*Training for approved and authorized exporter status resulted in us obtaining this status for two of our products. Trainers were very good and our custom officials were also invited to talk to us. We also were given some mini-tests, which is good because it motivates us to participate more actively. Trainees were all active exporters so information exchange between peers was also useful for us.*

*We attended training on Wood sector standards. When we asked concrete questions regarding our problems, the consultants usually just tell us to contact them later…So we felt like they were there primarily to promote themselves. The assistance we need in order to fulfill our growth potential is very technical, specific to our own situation, rather than such general theoretical training.*

-FIRMA beneficiary companies from Wood and Metal sectors

development programs organized by FIRMA as the most useful activities.

FIRMA company beneficiaries, on the other hand, viewed workforce development programs as the most useful, as well as assistance in export/EU certifications and some of the training provided by FIRMA.[12]

**NEED FOR SCALED-UP WORKFORCE DEVELOPMENT PROGRAMS IN FUTURE INTERVENTIONS**

*Workforce development programs are absolutely necessary and they have to be large enough to make a difference for entire economy rather than based on one or two companies. We have been searching for a production manager for years now. The problem with the education system is twofold: there are not enough students in high schools and universities for the skills our companies need and even the existing students are educated badly, with no sufficient practical experience and knowledge of modern processes. The education quality is much worse than it used to be in former Yugoslavia. Companies currently use people who were trained in that old system, and they train young workers…we bear all the costs of training and we are happy when for example three out of six trainees end up being good enough to work for us. We incur high costs by doing. Plus, the people who do the training are all nearing retirement age now. Young people know IT and they know foreign languages, but they do not know profession-specific practical things.*

- a FIRMA beneficiary company from wood sector

Some key informant companies explained that they received FIRMA assistance for activities what they were already planning to do, while others needed more assistance in defining the needs. This finding echoes demand-driven approach to some extent, however, we found no evidence that there was a systematic and strategic direction in selecting the activities (e.g. high-end versus low-end tourism).

Beneficiary companies had mixed feedback on the usefulness of trade fairs, with around one third of companies noting that visits to fairs resulted in actual business contracts only for a very low share of companies. Sales agents which FIRMA implementation team used to assist beneficiaries to access foreign markets were also perceived differently by different companies, ranging from very useful to not useful at all.

**MIXED PERCEPTIONS OF USEFULNESS OF FIRMA-SPONSORED FAIR VISITS**

*I do not know anyone who made and executed an actual business deal as a result of visiting these fairs. I visited a few and then I gave up on fairs.*

-a FIRMA beneficiary company from Wood sector

*After we send companies to fairs, we first survey them immediately to see whether they made some business contacts and then after six months we survey again to see whether there is potential for actual orders to be made. So, we have concrete and measurable positive results showing that benefits outweigh the cost of attending fairs by a large margin.*

-a FIRMA VCF

Almost all (around 80% )of the key informant companies expressed that more customized assistance would be useful (e.g. equipment grants), while a significant proportion of interviewed companies (six out of seventeen DBs) noted that the company needs would be better identified through direct communication between FIRMA implementation team and the beneficiary companies instead of going through VCFs.

Looking across the three targeted sectors, several key informant beneficiaries from the Tourism sector (two out of six tourism DB respondents, two tourism comparison group companies we interviewed, and two key informant VCFs) believed that the VCF approach did not work well in this sector. Tourism sector activities implemented under FIRMA were specific in several ways. Within Tourism sector, sub-

[12] In contrast, several companies noted that the trainings provided by FIRMA at times were too general and were provided by experts who did not necessarily know the local context.

sectors included Sarajevo region, Herzegovina region, and adventure tourism which spanned across BiH geographically. Tourism sector is characterized by large portion of unofficial economic activities, underreporting of both number of employees and financial flows, and the lack of registration by many tourism establishments. The VCFs working in this sector were different than the VCFs in Metal and Wood Processing sectors, as they also served as direct provider of tourism-related service. We also found that the action planning for the Tourism sector at the beginning of FIRMA implementation also appeared to be less participatory in comparison to the other two sectors. Overall, beneficiaries in the Tourism sector were on average less satisfied with FIRMA assistance and the VCF approach than the other two sectors, this is most notable in the adventure tourism sub-sector.

Managing and administering the 3 million USD grant fund specified in the FIRMA implementation contract is an important component of FIRMA implementation, aiming to serve as a catalyst for substantial impact on value-chains, clusters, or other clearly identifiable industry or public good. Table 8 in Section 2 shows that over half of the grant value were disbursed to VCFs, mostly for cross-cutting assistance (detailed list of grants is in Annex 7). A total of 241 grants were paid to 432 beneficiaries, 220 of which were VCFs. Although this was in line with the FIRMA implementation design, it may indicate that the beneficiary companies did not receive enough customized assistance for their specific needs (as opposed to general training, for example), as expressed through several key informant interviews. They reported that the grant funds in some cases could have been more useful had they been awarded towards production or other direct needs (e.g. almost no grants were awarded to purchase equipment). In addition, such large proportion of funds being disbursed to VCFs was viewed by several beneficiary companies as FIRMA being designed primarily to have VCFs as their main beneficiaries rather than the SMEs.

It is important to note that the FIRMA implementation database contained many internal inconsistencies and did not lend itself to proper analyses of FIRMA assistance in comparison to criteria set in FIRMA implementation contract, such as value-added level of production, share of sales to international versus domestic markets, profile of labor, or gender issues. Additionally, the criteria used to classify companies as beneficiaries in the FIRMA implementation database did not seem to be clearly defined in terms of Designated Beneficiaries (DBs) versus Non-Designated Beneficiaries (NDBs). As explained above, Designated Beneficiaries were defined as those companies that received FIRMA assistance and have responded "yes" to the question of whether they considered themselves to have benefitted significantly from the FIRMA project" in the FIRMA annual surveys. However, a few companies we interviewed (three) which were categorized as Designated Beneficiaries were not sure why they were identified as such since they did not consider that they have received significant assistance. Furthermore, different files in the FIRMA implementation database contained different numbers of beneficiaries which could not be reconciled and it was not clear which list of beneficiaries and data were used by the FIRMA implementation team to report on their performance indicators.

Additional issues with FIRMA implementation database which hindered evaluation of this activity include:

1. FIRMA implementation database is based on data from enterprise surveys administered each year by the VCFs. However, the respondents of the surveys varied significantly from year to year, which may imply low internal comparability and usefulness of this time series. This included the fact that the same company could identify themselves as a DB one year and as NDB next year, which influenced the baseline against which FIRMA reported their performance indicator values. Moreover, DB and NDB status did not match well with the actual list of activities (in other words, a company may have identified itself as a DB although they had no FIRMA activities, while another company which had activities may identify itself as NBD or not fill out the survey at all).

2. Existing data within FIRMA implementation database is internally inconsistent across different files obtained by the Evaluation Team (e.g. employment data for the same year in two different files is different).
3. Based on information received from the FIRMA implementation team, for early years of FIRMA implementation, surveys conducted by the FIRMA implementation team (more precisely by the VCFs) was the only data source for performance indictor tracking which did not include exact numbers, but rather ranges in some case (range of employees for example) or expected values. In the following years FIRMA implementation team used official tax records, however, we were not able to reconcile the data.
4. There were some instances in which the same company being recorded twice under two different names in the FIRMA implementation database.

FIRMA implementation database did not contain certain gender related information such as number of employees. Although Table 2 in Section 2 shows that some of the performance indicators tracked by the FIRMA implementation database were broken down by gender, including employment, sales, and persons participating in FIRMA workforce development programs, the Evaluation Team was not able to perform further analyses on gender issues based on the FIRMA implementation database, since it was not clear which data was used to report on performance indicators given that the gender proportions for some of these indicators were estimated by the FIRMA implementation team based on 2011 and 2012 surveys.

## EVALUATION QUESTION 4

**What challenges did FIRMA activity face in implementation and how were those challenges overcome?**

Study respondents have identified several different barriers to successful implementation of the FIRMA interventions. These issues may also pose challenges that limit the activity's sustainability in the absence of support and resources from USAID/BiH.

Overall funds available for technical assistance and grants were not sufficient and that co-financing requirements were hard to meet for some beneficiary companies. Several key informant interviews suggested that the resources FIRMA had available for assistance were not sufficient to implement significant new practices, meanwhile, FIRMA requirements that beneficiaries should co-finance all activities (including technical assistance) were hard for some SMEs. In addition, several interview respondents (three) mentioned that cost-sharing for some FIRMA activities was overestimated. For FIRMA grant fund implementation, several beneficiary respondents viewed grant selection criteria as unclear. Although FIRMA implementation team provided assistance in grant application on demand, in a few occasions beneficiaries stated that the grant applications were overly complex.

**GRANT CRITERIA, ALLOCATION, AND CO-FINANCING**

*We never were informed about any possibility for grants, although we were told in the beginning that we would be informed. I even contacted FIRMA staff and inquired but I never received an answer. So we do not know what the rules and possibilities were in terms of grants and we do not know what the criteria were.*

*Companies need direct grants and specific assistance, including technical support. Direct grants are preferred because they can directly improve our competitiveness and export possibilities.*

*(VCF I worked with) asked for co-financing of FIRMA activities that was too expensive. I understand and support the need to co-finance, but the amounts were not realistic. It was cheaper for me to do it on my own.*

- FIRMA company beneficiaries

Another challenge involved the macroeconomic environment in which FIRMA operated, it was challenging and unpredictable at the time of the FIRMA design, with BiH economy being strongly influenced by the global and EU downturns, as well as the 2014 floods. FIRMA was designed mostly prior

to the severe consequences of global and EU economic downturns hitting BiH. After a period of high GDP growth of almost 6% annually, BiH GDP fell by almost 3% in 2009. The 2010 and 2011 saw very slight improvement of below 1% annually, while 2012 EU sovereign debt crises brought additional fall in economic activities by around 1% in 2012. Some recovery was recorded in 2013 with 2.5% of real growth. This momentum was stalled in 2014 with the devastating floods, which resulted in the real GDP growth falling to 1%.[13]

These macroeconomic conditions translated into new challenges for FIRMA beneficiaries and stakeholders. For example, FIRMA was designed during a period of high liquidity of the banking sector in BiH, which was not necessarily the case going into FIRMA implementation years. In addition, some of the FIRMA implementation resources were redirected toward flood relief in 2014. FIRMA implementation team made good efforts to respond to beneficiary needs in a flexible matter. FIRMA flood relief assistance was regarded as very useful and simple to use by the beneficiary respondents who have utilized it. However, one key informant from the comparison group that was severely affected by the floods mentioned that they tried to contact USAID/BiH to get assistance, but their inquiries were not responded.

Parallel to the macroeconomic challenge FIRMA faced, political environment in which FIRMA operated was also challenging and may have affected the policy environment component of FIRMA interventions. Most of the key informants (two thirds in total) indicated that effectiveness of FIRMA implementation in terms of impact on companies was hampered by the complex policy environment and the lack of political will for more comprehensive improvements in coordination and strategic planning in the area of SME support by the BiH authorities.

FIRMA implementation contract prescribed that one of the activity areas should be policy. Specifically, FIRMA was to use collaborative process and mechanisms to identify policy obstacles for the SME development in the targeted sectors and create or enhance existing sustainable consultative mechanisms so that the strategies, policies and regulations were discussed, drafted and implemented in partnership with public and private stakeholders. FIRMA implementation contract also specified that a Coordination Body was to serve to coordinate FIRMA activities with BiH authorities and that the BiH authorities at all levels (state, entity, canton, municipality) would be invited, whenever relevant, to participate in different FIRMA meetings and activities on a regular and ad-hoc basis.

In practice, we found that the Ministries which were included in the Coordination Body (see Table 11) did not feel involved enough and thus did not take their role seriously, evident in the fact that most members attended only one or two Coordination Board meetings. They noted that they were only informed retroactively about FIRMA's past activities during the bi-annual meetings, rather than being included in the work planning stage. FIRMA Coordination Body had essentially no influence on FIRMA implementation, while policy-related implemented activities of FIRMA focused mostly on EU certification, EU

**COOPERATION WITH BIH AUTHORITIES**

*We need better information and data sharing with the USAID. For example, we all give SME subsidies and finance fair visits, so some companies receive multiple funds for the same purposes. Exchange of data and cooperation in terms of strategic directions and criteria for SME assistance should be coordinated between the BiH Governments and the donors in order to maximize effectiveness. None of this happened in FIRMA. In future, an official Memorandum of Understanding specifying such issues and generally specifying responsibilities should be signed between the USAID and BiH Governments.*

- a FIRMA Coordination Board member

[13] Source: BiH Statistics Agency.

Technical Standard Manual and cooperation with local institutions in workforce development programs. Consequently, we found no evidence that any policies/procedures of Ministries that participated in FIRMA Coordination Body were improved as a result of FIRMA assistance. Respondents from the Ministries also mentioned consistently that exchange of information with the activity was not ideal, especially in the topics of available funds and possible types of assistance. Half of them also noted that exchange of detailed data on recipients of FIRMA assistance with their Ministries would be useful, given that in many cases, Ministries offer similar assistance (e.g. financing fair visits). In addition, many respondents in Ministries, VCFs, and beneficiary companies indicated that there has not been any direct communications between the Ministries and the VCFs or the beneficiary companies' representatives.

**POLICY ENVIRONMENT**

*Policy environment for doing business actually worsened in the last five years, so I do not think anything useful was done. The main problem every business faces is the high burden of labor taxation and contributions. The companies we export to from the most developed EU countries simply cannot get over the fact that we have to pay more than 70% on top of net salary for our workers. How can an economy as weak as ours survive that? Plus, the governments do not support the exporting companies at all, they have no clear concept of what our strategic direction in developing economy should be. Because of all of this, we import all kinds of products that we do not need to.*

-a FIRMA beneficiary from Wood sector

While around half of beneficiary company respondents found EU certification and workforce development related assistance very useful, almost all respondents mentioned that their biggest obstacles to doing business in terms of policy environment were not addressed. These barriers have been identified as high labor taxation and contributions and rigid labor law that regulates firing procedures and part-time and seasonal hiring. We also found that, for Wood Processing sector, the main obstacle in policies and regulations (which was not addressed sufficiently by FIRMA according to the key informant interviews) was related to wood cutting concessions. While BiH has abundant timber resources, the barriers to get raw materials has caused several companies to shut down. The cantonal wood companies did not have sufficient access to forests with Forest Stewardship Council (FSC) forest management certification. Thus, overall we found no evidence that FIRMA contributed to change/improvement of SME and general economic policy improvement at State and Entity level (this was echoed in all of our interviews with both VCFs and beneficiary companies).

**TYPES OF ASSISTANCE NEEDED IN ACCESS TO FINANCE**

*Three things are important, in the following order: interest rate, speed of approval, and collateral. Interest rates are simply too high. Speed of approval is also crucial because our companies mostly need funds for working capital, they need loans fast, for liquidity issues. Collateral is also important, but not as important as the first two issues, as companies that have long standing relationships with bank can get a more favorable conditions and banks are also increasingly accepting insurance issues by insurance companies instead of guarantees.*

-a FIRMA VCF

In terms of access to finance area, our findings suggest that access to finance assistance offered by FIRMA in the form of DCA Guarantee and Qualified Business Finance Consultants (QBFC) was not used by most key informant companies and the main obstacles to access to finance by companies have not been addressed by FIRMA. Less than one third of companies we interviewed were aware of DCA guarantee option available through FIRMA and the two thirds of respondents mentioned that high interest rates posed a much larger problem than guarantees for the companies. For these companies, even with the DCA guarantee the loans were too expensive. Limited number of banks through which DCA was available also posed challenges for DCA implementation since many SMEs already had long standing relationship with their local banks that generally offered them conditions similar to DCA.

FIRMA assistance to access to finance in the form of QBFC was deemed useful for smaller companies, although most of the companies we interviewed did not use this service. They testified to remaining needs of better access to finance, however they stressed that the most useful future assistance would be

in the shape of short-term loans for working capital, which were very hard and expensive to secure from commercial banks. Four respondents mentioned that grants for machinery and equipment may not be as needed generally as they were previously (partially because the focus of numerous donor projects was equipment, and partially because most companies are working below capacities) and that the focus should be on raw materials and working capital loans in general. For example, when economic downturn hit the furniture industry, furniture stores which bought supplies from producers adjusted to the economic condition by decreasing inventories and functioning mostly on the basis of custom orders, with the production taking place only after order was made. These retailers received the money right away, while the producers were the last to receive the money, usually after the order was delivered. This situation made it very difficult for the furniture companies to survive and finance all the costs upfront. This also forced them to buy raw materials in small quantities, thus also made it more expensive. The above situation highlighted that easy access to short-term loans for working capital was essential for these companies.

### EVALUATION QUESTION 5

**What are the lessons learned and recommendations from beneficiaries' perspective for future donor or government interventions in targeted sectors?**

The main lessons learned consistently expressed by the beneficiaries we interviewed include the following:

- Not enough differentiation was present in terms of assistance to companies at higher versus lower end of value-chain production.
- While some beneficiaries viewed the VCF approach as appropriate given that the VCF they worked with was perceived as having relevant information about the sector and the companies, several respondents expressed that the assistance would be more effective through more effective and direct communication between FIRMA implementation team staff and the beneficiary companies.
- Not enough customized assistance was given to the companies, as opposed to general training.
- Perception of the companies we interviewed was that the general policy environment for SMEs did not improve as a result of FIRMA interventions.

We summarized a comprehensive set of recommendations in Section 4.3 of this report.

## 4.2 CONCLUSIONS

Based on our rigorous impact analysis of the full sample of all beneficiary companies from all three targeted sectors, FIRMA interventions did not have any statistically significant impacts. However, there is suggestive empirical evidence (not statistically significant) that FIRMA interventions had positive effects on employment and suggestive evidence that the FIRMA interventions had positive effects on core DBs' sales and exports and negative effect on short term loan value.

The sector analysis revealed heterogeneities among the Wood Processing, Metal Processing, and Tourism sectors, which may speak directly to the demand-driven approach of FIRMA with its focus on targeted sectors. We did not find statistically significant impacts of FIRMA activities in Metal Processing and Tourism sectors although we found suggestive evidence that FIRMA interventions had positive effects on sales, exports and employments in the Metal Processing sector, none of the estimates was significant at the 10 percent level. Moreover, we also found that FIRMA's interventions had a significant effect on employment in the Wood Processing sector with an increase of employment of 28 percent. This estimate was statistically significant at a 10 percent level. We did not detect any significant results for the exports related outcome variables. However, these impact estimates should be interpreted with considerable caution as the relatively weak quasi-experimental design that was fleshed out near the end of FIRMA's implementation with a relatively small treated sample size does not justify strong causal

inferences about the activity's impacts, especially at the sector level. There likely were also unobservable differences between FIRMA treated companies and our comparison group, which potentially biased our results.

Our detailed implementation study offered some possible explanations for the FIRMA impact analysis results, but at the same time it also revealed that, broadly speaking, FIRMA beneficiaries found some aspects of the assistance provided through FIRMA as very useful, thus perceiving FIRMA as contributing positively to their business results. In particular, strongest evidence from the implementation study seem to imply that the main issue with FIRMA intervention was related to the VCF approach.

The VCF approach to FIRMA implementation and its logical model seemed plausible in its design, however, the actual implementation had many challenges, leaving the VCFs generally feeling that they were not true partners in the implementation process of FIRMA, and leaving some beneficiary companies feeling that the VCFs lacked sector specific knowledge. Consequently, while properly designed in theory, the VCF approach to some extent may have hindered the implementation process and contributed to the disconnection between FIRMA activities and on-the-ground SME needs.

FIRMA implementation team relied heavily on the VCFs to be in contact with the companies and to collect all of the data from the companies (which seemed to have negatively influenced the demand-driven approach of FIRMA implementation, as well as the way DBs were recorded in the FIRMA implementation database, which caused data issues during this evaluation.), while at the same time did not include the VCFs enough into the strategic and action planning of the activities. Additionally, the VCFs generally perceived that the financial compensation they received was not sufficient to cover their costs. Given that around half of all FIRMA grant fund was actually disbursed to the VCFs, some beneficiary companies perceived FIRMA as not being enough focused on actual on-the-ground assistance to SMEs.

Perceived poor implementation of the VCF approach may partially be related to the fact that the sixteen VCFs that worked with FIRMA were very diverse, with a few strongest institutions that were the most successful during the FIRMA implementation. Generally, detailed specifications of possible FIRMA contributions and rules (in terms of financial framework, costs of assistance, types of possible assistance etc.) were not developed and distributed to all VCFs, but were rather identified later in the process when some of the VCFs insisted to receive this information. While it could be argued that this may be in line with the demand-driven approach of FIRMA assistance, however, as the VCFs were envisaged to be implementing partners, this should have been clarified and harmonized for all VCFs. This was especially important given that most VCFs perceived FIRMA implementation process in both the types and the value of the assistance as quite rigid, there were not much space for influencing the type of assistance based on demand, while at the same time the existing implementation process was not transparently and clearly communicated to all VCFs at the beginning of the implementation.

The strategic planning and implementation approach to Tourism sector assistance by FIRMA seems to have been weaker and less systematic than in the other two sectors, with more ad-hoc decision-making. This may have resulted in tourism beneficiaries viewing FIRMA generally more negatively than the companies from the other two sectors.

In line with these issues associated with the implementation of the VCF approach identified by our implementation analysis, there was also not enough evidence that FIRMA's approach on the selection of beneficiaries was demand-driven, as most beneficiaries were contacted because they previously worked with certain VCF or with a predecessor USAID/BiH SME Activity CCA.

Another factor that we found possibly limiting FIRMA's impacts is that company characteristics which were indicated as an important criteria in the FIRMA implementation contract, such as value-added level of production, were not an explicit criteria for the selection of beneficiaries, types of assistance, and grants. In general, the criteria which FIRMA used to define beneficiaries were not clear enough nor

reflected consistently within FIRMA implementation database. Moreover, the implementation database had numerous data quality issues and it also lacked information needed to analyze FIRMA implementation against some aforementioned important criteria set out in the FIRMA implementation contract, such as value-added level of company production, share of sales to international versus domestic markets, profile of labor, and gender issues.

Our qualitative results indicated that the beneficiary companies would have benefited more from more customized assistance provided directly to them by FIRMA (e.g. equipment grants), but they generally noted that the workforce development programs were useful, as well as FIRMA assistance in export/EU certifications. Most common assistance for companies to reach new markets was attendance in trade fairs and access to sales agents. Companies have provided mixed feedback on the usefulness of these interventions.

There were several external challenges that potentially hampered FIRMA's implementation results. This included limited FIRMA resources, macroeconomic downturn, floods, and lack of political will. FIRMA implementation team attempted to employ a more flexible approach to meet company needs amidst these challenges. However, the policy environment assistance produced weak results and the general policy environment for SMEs did not improve as a result of FIRMA interventions. FIRMA's assistance related to policies dealt primarily with workforce development within which partnership between the private sector and local-level institutions was forged. The other area related to policy environment which FIRMA assisted was EU/export certification. However, there was not enough direct assistance on the most pressing issues SMEs dealt with which were in the jurisdictions of State and Entity Ministries (e.g. labor taxation and contributions or export/import procedures). To this end, FIRMA assistance in policy environment area that was envisaged to take place through the FIRMA Coordination Body whose members were representatives of eight State and Entity Ministries was not effective. The Coordination Body was only informed retroactively about FIRMA's past activities during the bi-annual meetings, rather than being included in the work planning stage.

Finally, FIRMA did not significantly improve access to finance of its beneficiaries, as DCA Guarantee and Qualified Business Finance Consultants offered by FIRMA were not utilized extensively and were also perceived by most interview respondents as not effective.

## 4.3 RECOMMENDATIONS

As a result of our study, we offer the following lessons and suggestions to future programs considering activities similar to FIRMA:

- **Demand-driven interventions need to be more pro-active in terms of spreading information to a broader spectrum of companies** about possibilities of assistance, to avoid carry-over of same companies from one to another donor program by inertia.
- **The VCF approach may have seemed plausible in the logic model design stage, but in order to implement it successfully, the activity should focus on a more limited number of VCFs that had enough capacities and realistic sustainability prospective**. In addition, these VCFs needed to be more actively included in the process of action planning and their cost-sharing and responsibility with the implementing team need to be set in a fair and transparent way to ensure implementation partnership.
- **In future Activities, the selection criteria of the activity's beneficiaries should be comprehensive and clearly documented.** This will avoid the activity beneficiary selection bias (to avoid continuously selecting same beneficiaries in the case of multiple Activities over time). The selection criteria must be clearly defined in order to ensure the internal validity of activity evaluations. Further, selection criteria should be based upon the potential of the beneficiaries to increase value-added, sales, and exports.

- **Ensure that the criteria for technical and financial assistance clearly track the activity's objectives and targets, and that both selection criteria and selection decisions are clearly communicated to all applicants**. If the intention of the activity is to improve the competitiveness and value-added level of the production, then the beneficiaries with the greatest potential should be selected and the assistance packages they receive specifically tailored to achieving activity objectives.
- **Given its many specificities, assistance to Tourism sector needs to be more carefully designed** in order to meet the needs of a broader group of beneficiaries.
- **In the design stage of future Activities, integrate appropriate impact evaluation early in the program cycle.** If the intervention is amenable to a rigorous impact evaluation, it should be designed at the start of the intervention. Baseline data for both beneficiaries and non-beneficiaries should be collected if possible (including surveys, if needed) and power calculation and minimum detectable effects should be taken into account at the activity design stage to ensure that reasonable sample sizes are available for analysis.
- **Ensure that the activity data collection is comprehensive and accurate.** An activity M&E database should track the number of beneficiaries in a systematic fashion clearly, and, if possible, separately track beneficiaries based on the assistance nature/intensity. Data collected for performance monitoring and indicator tracking should be differentiated with data collected for impact evaluation, in which large amounts of covariates usually are needed to justify the identifying assumptions of many evaluation methodologies. Certain outcome measures, such as measures for access to finance, should be collected through well designed surveys. Moreover, financial data submitted by the beneficiaries should be verified with official administrative records. The performance indicators reported throughout the life of activity for the purpose of activity monitoring need to be carefully designed, they should effectively track percentage change/shares with changing baselines (as the new companies become beneficiaries) and closely monitored by the donor.
- **Ensure transfer of activity database to the following activity in the same sector.** The transfer of all activity data would help to avoid spillover bias in the impact estimates for subsequent activities.
- **Continue assistance in the format of workforce development but consider financing a separate intervention in this area, given the magnitude of the problems and high potential benefits.** Institutions from higher levels of BiH governments also need to be involved in these Activities.
- **Carefully consider limiting future financing of fair visits based on the evidence of usefulness and appropriateness for SMEs.** Individual customized assistance to companies in terms of researching potential foreign markets can be more effective for the companies.
- **Continue providing assistance to companies for EU/export certification.**
- **Policy constraints need to be more aggressively confronted in future programming through high-level dialogs and leveraging of assistance**. These include high labor taxation and contributions, rigid labor market legislation, complex and expensive export/import procedures.
- **Coordination Bodies of future Activities should have a more active role and the donors should sign MOUs with the Governments/Ministries** to ensure full cooperation and sharing of information and responsibilities, which could potentially increase effectiveness of assistance to SMEs and ensure that donor interventions and local government interventions do not overlap.
- **Consider new innovative ways to provide assistance in the area of access to finance, including consideration of funds for short-term working capital,** which would provide lower interest rate and faster procedures for the companies in comparison to what is currently offered by the commercial banks.

# ANNEXES

# ANNEX I. EVALUATION STATEMENT OF WORK

## Statement of Work (SOW)

## FIRMA Impact Evaluation

## PURPOSE OF THE EVALUATION

Fostering Interventions for Rapid Market Advancements (FIRMA) is $21 million activity financed jointly by USAID and Sida to support small and medium size enterprises[14] (SMEs) in the targeted sectors of Wood Processing, Tourism, and Light Manufacturing/Metal Processing in Bosnia and Herzegovina (BiH). FIRMA's objective is to increase sustainable economic growth as measured by increased sales, exports, sustainable employment and access to finance. Ultimately, the overarching goal is to advance the country's ability to meet the Copenhagen Economic Criteria—existence of a functioning market economy and the capacity to cope with the competitive pressure and market forces of the Union—for accession to the European Union (EU). FIRMA implementation spans from September 2009 to May 2015 and the activity is implemented by a consortium led by Cardno Emerging Markets USA, Ltd.

As guided by USAID Evaluation Policy, USAID/BiH requires an impact evaluation of this development intervention. The FIRMA impact evaluation will contribute to knowledge and learning in the Mission related to three specific areas:

1) Assessing the impacts of FIRMA interventions on targeted SME's sales, exports, and access to finance in the three sectors;
2) Helping USAID/BiH staff achieve a better understanding of activity implementation, lessons learned, and best practices; and
3) Providing USAID/BiH staff with empirical evidence and information that could inform future funding decisions and program designs.

As part of the MEASURE-BiH activity, IMPAQ International will design and implement a rigorous impact evaluation as well as an implementation study of the FIRMA activity. The design and implementation of the impact evaluation study will be closely coordinated with USAID/BiH Mission and the FIRMA implementing partners.

## ACTIVITY BACKGROUND AND DEVELOPMENT HYPOTHESIS

Bosnia and Herzegovina's unemployment rate has remained high for many years and has been further exacerbated by recent economic crisis. After a brief period of decreasing unemployment (from 31.1% in 2006 to 23.4% in 2008[15]) and high GDP growth rates (averaging almost 6% annually in 2004-2008[16]), the GDP fell by almost 3% in 2009, as a result of external exposure to troubled foreign capital from EU which financed domestic private consumption. With its many internal structural weaknesses and unfavorable external environment, the economy has not recovered substantially in 2010-2011 (with average annual growth at below 1%), followed by another GDP contraction in 2012 (-1.2%) as a result of EU sovereign debt crisis. The 2013 and 2014 again saw

[14] EU definition of SME: The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

[15] BiH Statistics Agency, Labor Force Survey data, in line with the International Labor Organization methodology (includes unofficial employment).

[16] International Monetary Fund, World Economic Outlook (October 2014).

very weak recovery (with average growth of below 1.5% of GDP). At the same time, unemployment constantly grew reaching 28% in 2012, with practically no improvements in 2013 and 2014 (27.5%). In addition to exposing the extreme vulnerability of BiH to external shocks, the crisis has also demonstrated the urgent need for structural reforms, which, inter alia, includes barriers to market entrance and rigid labor market.

Consequently, the macroeconomic environment within which FIRMA operated significantly deteriorated since the beginning of activity. However, the main challenges of BiH real sector which motivated the design of FIRMA activity remained prominent, thus adding to the importance of such intervention. By signing the Stabilization and Association Agreement (SAA) with the EU, BiH is required to have a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union. Signing the SAA and CEFTA agreements created a highly competitive environment for businesses in BiH and also created increased opportunities for exports.

Based on analysis undertaken by USAID and Sida prior to FIRMA, the three sectors were identified that offered the most opportunity for growth based on the criteria of comparative advantages, performance, cooperation of enterprises who are committed to improving their operations, performance, and international market assessments. These three sectors are Wood Processing, Tourism, and Light Manufacturing/Metal Processing.

For Wood Processing, BiH has a comparative advantage due to high-quality raw materials, a long-standing tradition and reputation, potential for supply chain development, and relatively well- qualified labor. Before the war in 1992, between 600,000 and 700,000 people depended on the $1 billion a year industry for their livelihood. BiH's close proximity to the EU market provides opportunists for and expansion of exports to new customers.

BiH's natural landscapes, in addition to its unique historic and cultural heritage, can provide sites popular enough to become a new destination for European tourists. The UN World Tourism Organization reported that new investments are needed to fully capitalize on the potentials of BiH, which includes creating 26,000 new jobs and 93,000 indirect jobs by 2021.

The Light Manufacturing/Metal Processing sector accounts for more than one fifth of total BiH exports. The Metal Processing sector has a strong presence throughout the country and includes base metals, machinery and equipment. BiH's advantages in the subsectors of machinery and equipment are due to widely available raw materials and relatively low-cost labor (including welders) for metal processors.

## PROGRAM DESCRIPTION

The purpose of the FIRMA activity was to provide technical assistance to BIH's (1) Wood Processing, (2) Light Manufacturing/Metal Processing, and (3) Tourism sectors with the goal of improving the competitiveness in these sectors, increasing revenues and exports and creating new jobs. The activity was designed to provide demand-driven assistance in the areas in which most discerning constraints in the targeted sector were identified: including poor quality and design of products, inadequate marketing and links to global markets, limited supply of skilled labor, limited access to finance, and policy environment constraints. FIRMA activities were centered on aligning with EU requirements but also include the other cross-cutting issues of addressing workforce development, access to finance, green growth, and gender and youth inclusion.

More detailed key constraints identified for FIRMA sectors and cross-cutting areas identified during the activity design stage included:

**(1) Wood Processing:** Key identified challenge in this sector was finding new buyers. To attract new buyers, these companies needed to develop a range of products that are in demand and to more effectively promote them in export markets. Specifically, key identified challenges in accessing export markets were organizing attendance of BiH wood processing companies in trade fairs, establishing a network of sales agents and trade representatives in key export markets, improving product quality and design, and obtaining relevant product certifications. The growth in the wood processing sector was also estimated to be constrained with availability of appropriate finance to support growth.

(2) **Metal Processing:** The key identified obstacles included the inability to expand to a new market base (new buyers), high costs of obtaining certifications and implementing standards required by the EU, and lack of skilled workers. The identified highest export potential sub-sectors within metal processing industry were automotive sector, cable industry and metal processing of black and aluminum metals orientated towards EU markets. To expand to new customers, it was assessed that companies need to attend trade shows and connect with buyers through trade missions and business-to-business meetings. Furthermore, to reduce the costs of fulfilling EU standards, export recognition status was required. To improve workforce development, need for adult practical training and adjustment of formal curricula to meet current and future industry needs was identified as essential.

(3) **Tourism:** The assessment identified opportunities in three subsectors of tourism: Sarajevo as a cultural and city destination, the Herzegovina region as a stand-alone destination for cultural and religious tours, and the general adventure outdoor tourism as the niche which is available throughout the country. Main identified needs included tourism promotion and development of the tourism product, including development of individual sites and festivals and the need to develop skills and secure licensing of the tourism workers and guides. The main diagnosed challenges included promotion through social media, and branding and familiarization of trips to foreign tour operators.

FIRMA was also expected to incorporate workforce development which is a key crosscutting activity and to improve the process of public-private dialogue in the development of curricula and the enrolment of students. During the activity implementation design, it was assessed that BiH does not have sufficient amounts of skilled or knowledgeable labor in all three sectors. The education system produces graduates with poor or irrelevant skills resulting in a large number of people who are considered unemployable. Career development has not been impacted regardless of several attempts to provide industry specific training.

FIRMA has implemented a range of activities around its focus areas of support in access to finance, product and productivity, workforce development, and business environment. To do this, FIRMA has collaborated with a network of 16 regional and local economic development agencies (so called Value-Chain Facilitators or VCF) to sustain services and support after the activity ends. The FIRMA approach was defined at the private sector value chain level. VCFs organized stakeholders to first identify and prioritize competitiveness obstacles through value chain analysis, and to then originate and manage discrete activities to address these obstacles. FIRMA supervised and supported these activities, providing strategic and operational guidance, expert technical assistance, and grants from its $3 million Small Grants Fund. In order to maximize scale and impact, FIRMA has also received significant funds from private donors and public finances to support the implementation of certain activities. Additional efforts in planning and implementing activities have been required due to the inclusion of so many stakeholders. Some of the highlights of these activities and efforts were:

- Workforce Development Support: included adult training programs that are adjusted to industry needs, funded by the government employment agencies and municipalities, and implemented by vocational schools.
- Quality Certification: funds were co-funded by FIRMA and the government at varying levels and implemented by local implementing partners to support companies to get trade certifications demanded or required by EU legislation.
- Improved Access to Markets: companies received support to attend local, regional, and international trade fairs. This support included technical assistance for product adjustment to market needs, promotional activities, and the organization of business to business networking.

## FIRMA DEVELOPMENT HYPOTHESIS

The FIRMA activity was expected to work throughout the entire country, focusing on sectors with the greatest potential for growth through extensive work with the sixteen VCFs. Assistance has been provided to many companies, which is generating 40% of the output in

There were several activity intermediate goals of FIRMA. Technical assistance and grants support was expected to be provided in the areas of product development to:

(1) Ensure companies meet the standards and certification requirements of targeted markets;
(2) Improve productivity through technical assistance of manufacturing processes and the introduction of quality management systems;

(3) Support increased access to markets through attendance at trade fairs;
(4) Expand networks of trade representatives in the main export markets;
(5) Support increased access to finance.

Additionally, FIRMA was expected to support the longer term goal of BiH's attainment of the Copenhagen agreement requirements for membership in the EU, which was done through the following ways:

(6) Incorporate workforce development which is a key crosscutting activity; and
(7) Improve the process of public-private dialogue in the development of curricula and the enrollment of students.

Based on FIRMA Implementation Contract. FIRMA was held accountable for achieving the following main results as measured by the performance indicators described below.

| Indicator | Year 5 Target, Cumulative Increase |
|---|---|
| **FIRMA beneficiaries' share of sectoral output** | 40% |
| **FIRMA beneficiaries' sales** | 50% |
| **FIRMA beneficiaries' employment** | 35% |
| **FIRMA beneficiaries' investment** | 40% |
| **Policy environment** | Policy constraints identified and prioritized; priority solutions and implementation mechanism defined; and solutions implemented. |

## EVALUATION QUESTIONS

The evaluation answers the following research questions, informed by the FIRMA's goals and indicators.

**Impact Analysis**

- What impacts did FIRMA activity have on participating SME's outcomes (sales, exports, employment, and access to finance)?
- To what extent did the impacts vary across sectors?

**Implementation Study**

- How was FIRMA activity implemented? In particular, how was the assistance facilitated through the regional and local economic development agencies implemented and to what extent did the value chain facilitator (VCF) approach change the overall impact on participating SMEs?
- What challenges did FIRMA activity face in implementation and how were those challenges overcome?
- What are the lessons learned and recommendations from beneficiaries' perspective for future donor or government interventions in targeted sectors?

## METHODOLOGICAL APPROACH

**Impact Analysis**

To address evaluation research questions 1and 2, we will combine FIRMA database with external administrative AFIP/APIF data across years 2008 to 2014 and apply Difference-in-Differences (DID) approach to all SMEs, and the SMEs in the three sectors separately[17]. The AFIP/APIF data contains a wealth of SME baseline characteristics before FIRMA implementation, which will help us to identify a comparison group of SMEs that closely matches the FIRMA-assisted SMEs. Specifically, we will estimate the following multivariate regression model for outcome variables related to sales, exports, employment, and access to finance.

$$\text{Outcome} = \alpha + \beta T + \gamma F + \delta(T \cdot F) + \lambda X + \varepsilon. \qquad (1)$$

The left-hand side of the equation is the outcome variable of interest. The variables on the right-hand side include:

- A dummy variable $T$ that is equal to 1 if the observation is in the treatment group and zero if otherwise. The estimate of $\beta$ captures the group effect. In other words, $T$ controls for any differences in the outcome variable that are associated with being in the treatment group.
- A dummy variable $F$ that is equal to 1 in the follow-up year and zero in the baseline year. The estimate of $\gamma$ captures the time effect. In other words, $F$ controls for any changes in the outcome variable that occur over time and are common for treatment and comparison group members.
- An interaction term $(T \cdot F)$ that is equal to 1 if the observation is in the treatment group and in the follow-up year, and zero otherwise (i.e., for comparison group members in both the baseline and follow-up years, and for the treatment group in the baseline year). The estimate of $\delta$ captures the impact of the project on the outcome variable—this is the parameter of interest.
- A vector $X$ of other relevant explanatory variables that may be related to the outcome of interest and will help control for baseline household characteristics. At a minimum, for household models, $X$ will include the education, gender and age of the household head. Including these explanatory variables will reduce the amount of unexplained variation in the outcome variable, thereby increasing the accuracy of our parameter estimates.

For each regression model, we will estimate: the parameters $\alpha$, $\beta$, $\gamma$, $\delta$, and the elements of the vector $\lambda$. All things being equal, the positive parameter estimates will indicate that the corresponding right-hand side variable is associated with an increase in the outcome measure. Likewise, negative parameter estimates will indicate a negative association. We will use t-tests to measure the statistical significance of the parameter estimates. Where we find statistically significant differences, we can be confident that the corresponding right-hand side variable has an effect on the outcome variable.

### Implementation Study

IMPAQ will supplement impact analysis of FIRMA activity with implementation study. Implementation studies are an important complement to our impact evaluations. Although an impact analysis can assess the extent to which an intervention resulted in changes in key outcomes, an implementation study provides us with the understanding of what was actually implemented and how; why the intervention changed outcomes or did not; and, if it did, how it might have done so. Implementation studies can provide important documentation of how a program was implemented for subsequent refinement and program scale-up, if successful.

Making use of FIRMA activity documentation and available data sources, IMPAQ will conduct desk research, interviews with the USAID/BiH, Sida, and the FIRMA activity team, and key stakeholder interviews to examine

[17] To the extent possible, we will distinguish SMEs by the channels through which they worked with FIRMA (VCF vs. Non-VCF) and estimate impacts separately.

evaluation questions 3, 4, and 5. Specifically, desk study of FIRMA implementation documentation including FIRMA Implementation Contract, Annual Work Plans, Annual Reports, Project Activities Database (PAD) combined with semi-structured interviews with the FIRMA implementing partners, donors, and the beneficiaries (including VCFs, SMEs, Collaborating Implementers and relevant government institutions) will be used to address evaluation research question 3. Semi-structured interviews with selected beneficiaries and non-beneficiaries will be the main data source to address research question 4. Semi-structured interviews with selected beneficiaries will be used to address evaluation research question 5.

**Available Data**

In addition to BiH administrative AFIP/APIF data, the following FIRMA reports are available and will be used extensively for the evaluation:

- Performance Monitoring Plan (PMP): including data quality sheets for selected indicators and annual targets
- Annual Work Plans: including anticipated activities, stakeholders, and resources for the next year
- Annual Reports: containing summaries of activities, resources spent during the year, and results achieved when measured against the PMP indicators
- Quarterly Reports: provide details on activities undertaken and subsequent results in addition to producing data on actual results achieved for results previously based on estimates
- Annual Baseline SME Surveys: conducted by the implementer to capture data on annual performance of activity beneficiaries

The implementer maintains PAD with details on: grants disbursed (including grant monitoring and grant completion documentation), activity beneficiaries, company survey forms (hard copy and electronic forms available), and various technical reports and analysis for activities. Additionally, Sida commissioned an activity mid-term evaluation report in 2011 and an Inspector General Audit report in 2012 that is available to evaluators.

Listed above are project reports and background documents that provide basis for us to understand the project design, evaluate its impacts and performance, and identify gaps in implementation, based on the implementer's information provided in those documents. They can also serve as basis for own research into activity performance and implementation through interviews with the various stakeholders and counterparts, as selected by MEASURE-BiH.

## TENTATIVE TIMELINE AND DELIVERABLES

| Activities/Deliverables | 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Apr. | May | June | July | Aug. | Sep. |
| **Activity 1: Evaluation Design and Planning** | | | | | | |
| Evaluation Planning and Developing Impact Evaluation SOW | | | | | | |
| *Deliverables: FIRMA Impact Evaluation SOW* | | | | | | |
| **Activity 2: Evaluation Implementation, Data Collection Support, Data Analysis, and Reporting** | | | | | | |
| Data Collection (Administrative, Interviews) | | | | | | |
| Data Analysis | | | | | | |
| Preparing Preliminary Results Memo | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Preparing Final Evaluation Report | | | | | | |
| | *Deliverables: Preliminary Results Memo* | | | | | | |
| | *Deliverables: Final Evaluation Report* | | | | | | |
| | *Deliverables: Evaluation Briefing to USAID/BiH* | | | | | | |

## EVALUATION TEAM STRUCTURE

- Evaluation Team Leader: **Ye Zhang** (MEASURE-BiH Technical Director and Principal Investigator)
- Evaluation Team Member:
  - **Naida Carsimamovic Vukotic** (MEASURE-BiH Deputy Chief of Party)
  - **Elma Bukvic Jusic** (MEASURE/BiH COR, USAID/BiH)
  - **Anesa Hadzic (**MEASURE-BiH Analyst)

# ANNEX II. EVALUATION MATRIX

| Primary Evaluation Questions | Data Sources | Research Design |
|---|---|---|
| 1. What impacts did FIRMA activity have on participating SME's outcomes (sales, exports, employment, and access to finance)? | FIRMA implementation documentation and database, Administrative AFIP/APIF data | Quasi-experimental design with difference-in-differences method, implemented through multivariate regression models |
| 2. To what extent did the impacts vary across sectors? | FIRMA implementation documentation and database, Administrative AFIP/APIF data | Quasi-experimental design with difference-in-differences method, implemented through multivariate regression models |
| 3. How was FIRMA activity implemented? In particular, how was the assistance facilitated through the regional and local economic development agencies implemented and to what extent did the value chain facilitator (VCF) approach change the overall impact on participating SMEs? | FIRMA implementation documentation and database, Key informant interviews with SMEs (FIRMA designated beneficiaries, non- designated beneficiaries, comparison group SMEs, VCFs, government institutions), Cardno FIRMA implementation team interviews, USAID/BiH and Sida COR interviews | Mixed methods, with a focus on qualitative data |
| 4. What challenges did FIRMA activity face in implementation and how were those challenges overcome? | FIRMA implementation documentation and database, Key informant interviews with SMEs (FIRMA designated beneficiaries, non- designated beneficiaries, comparison group SMEs, VCFs, government institutions), Cardno FIRMA implementation team interviews, USAID/BiH and Sida COR interviews | Mixed methods, with a focus on qualitative data |

| | | |
|---|---|---|
| 5. What are the lessons learned and recommendations from beneficiaries' perspective for future donor or government interventions in targeted sectors? | FIRMA implementation documentation and database, Key informant interviews with SMEs (FIRMA designated beneficiaries, non- designated beneficiaries, comparison group SMEs, VCFs, government institutions), Cardno FIRMA implementation team interviews, USAID/BiH and Sida COR interviews | Mixed methods, with a focus on qualitative data |

# ANNEX III. DATA COLLECTION INSTRUMENTS – KEY INFORMANT SEMI-STRUCTURED INTERVIEW PROTOCOLS

## FIRMA Evaluation Interview Instructions

The interview guides are intended to serve as semi-structured guides for your conversations with key stakeholders of FIRMA. Do not read the questions or probes word for word. Instead, adapt the wording to match the phrasing used by the respondent. Take notes on key terms or phrases used by the respondents that may be helpful in coding the interview data. Ask for clarification and definitions as needed.

Familiarize yourself with the interview protocol guides in advance of your meeting. Skip questions that are not relevant given the interviewee specificities. Highlight the questions you will prioritize if the respondent's time is limited. Be respectful of the respondent's time and keep the interview to the agreed length of time. We can follow up by phone or email for more information as needed.

In addition:

- Take notes during the discussion. To ensure we accurately report what is discussed during the interview, we will record this session as well. No one except the research team will have access to this recording.
- As necessary, tailor all questions to fit the individual stakeholders' relationship with FIRMA.
- Keep the discussion under ninety minutes.
- The evaluation team will ensure that the information shared through these interviews remain strictly confidential.

# USAID/BiH and Sida Fostering Interventions for Rapid Market Advancements

# (FIRMA)

# Evaluation Interview Guide

# Beneficiaries

*Thank you for agreeing to speak with us today. My name is <name> and this is <name>, and we are researchers from USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH). We are here today because USAID/BiH has commissioned MEASURE-BiH to conduct an independent evaluation of the USAID/BiH and Sida FIRMA activity. As part of the evaluation, we're conducting detailed site visits to 48 of FIRMA stakeholders of different types (SME designated beneficiaries, SME non-designated beneficiaries, value chain facilitators (FIRMA implementing partners), and government institutions and agencies), over the next several weeks. In each site, we'll be speaking with the key stakeholders involved in the FIRMA activity. In addition, we are also meeting with 6 companies in the FIRMA targeted industry sectors which were not FIRMA beneficiaries.*

*The purpose of this site visit is to provide us with an in-depth understanding of the FIRMA activity implementation approach, the challenges encountered during implementation and the strategies used to address those challenges, as well as best practices and lessons learned that may be applicable to other SME support programs. Our aim is to learn from your experiences, not to audit or judge your work in any way. The information you provide to us will be used in combination with what we learn from others to produce an overview of how FIRMA activity is being implemented. Your comments are confidential and you will not be identified by name in any report.*

*<NAME> will be taking notes while we talk. With your permission, we would also like to record this session so that we can refer to the audio to clarify our notes later if necessary. Do we have your permission to begin recording? Do you have any questions before we start?*

---

## 1. BACKGROUND AND CONTEXT

First I'd like to start off with some general questions to give us a little bit background.

- How would you describe your company and its main activities and what are the main goods and services your company provides?
- How many employees are there in your company (full time, part time, and seasonal)?

- What is your current position and how long have you been in this company?

## 2. FIRMA IMPLEMENTATION PROCESS

Next, we have a set of questions that related to your experience with FIRMA.

- How did your company first become involved in FIRMA (through value chain facilitator (VCF), through direct contact by FIRMA, through direct contact of FIRMA by the company itself, or through other channels)?
    - **PROBE:** Who did you initially speak with about FIRMA?
- What type of activities did you participated in FIRMA (financial assistance, different types of technical assistance) and how were these activities implemented?
    - **PROBE:** Can you describe the process of participating in FIRMA activities? How was the given type of assistance selected and who initiated it?
    - **PROBE:** Was FIRMA assistance your company received organized/implemented through value-chain facilitators? *If yes*, which ones?
    - **PROBE:** Can you describe these activities in more detail? Who organized/delivered each activity you participated in FIRMA?
- Were FIRMA activities in line with the needs of your sector/sub-sector and your company?
- Have your company participated in FIRMA's access to finance initiatives?
    - **PROBE:** *If yes,* which particular access to finance activities you have participated?
    - **PROBE:** can you briefly describe the process of your participation?
- Have you received the DCA guarantee through FIRMA?
    - **PROBE:** *If yes*, how easy or difficult was it to get the guarantee? How easy or difficult was it to access the loan?
- In your experience, have you seen any changes in access to finance for companies in your sector over the last five years?
    - **PROBE:** *If yes,* what would you attribute this change to?

## 3. FIRMA ACHIEVEMENTS AND CHALLENGES

Next, let's discuss some questions that related to FIRMA achievements and challenges from your perspective.

- What were the most useful parts and resulting achievement of FIRMA activities for your company?
    - **PROBE:** What changes did your company make as a result of the activities?
    - **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

      As a result of FIRMA activities, did you see substantial changes in any of the following areas in your company: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?

- What were the least useful parts and challenges encountered during your participation in FIRMA and how have these challenges been addressed?
    - **PROBE:** Did your company encounter any difficulties throughout your participation in FIRMA?
    - **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

      As a result of FIRMA activities, did you see substantial changes in any of the following areas in your company: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?

## 4. POLICY CHANGE AND SUSTAINABILITY

Now, I'd like to ask you about FIRMA's efforts on policy change.

- Have you noticed any changes in regulations and policies relevant to your sector in recent years?
    - **PROBE:** *If yes,* what changes have you noticed? How have these changes affected your company? Do you know if these changes were related to efforts under FIRMA and whether FIRMA activities in the area of policy environment were in line with the sector's needs?
- What is your opinion of sustainability of FIRMA activities, that is, transferring FIRMA activities to local counterparts (e.g. value chain facilitators)?
    - **PROBE**: After FIRMA ends, do you know which organizations you will be able to go for technical and/or financial assistance?

## 5. RECOMMENDATIONS AND LESSONS LEARNED

Now that we have an understanding of the FIRMA implementation, we have some questions about the recommendations and lessons learned from your perspective.

- From your perspective, what are the lessons learned from FIRMA and recommendations for future donor or government interventions in the sector/sub-sector your company operates in?
    - **PROBE**: What are specific lessons learned and recommendations in terms of access to finance of the companies in your sector/sub-sector and more specifically of the DCA guarantee?
- What are the main needs of your sector/sub-sector today?
    - **PROBE**: What are the biggest business challenges your company currently faces?
- What can government do to make your job easier?
    - **PROBE**: What are the biggest challenges you currently face in regulations and policies?

## 6. CONCLUSION

- Is there anything else you would like to share with us?

# USAID/BiH and Sida Fostering Interventions for Rapid Market Advancements

# (FIRMA)

# Evaluation Interview Guide

# Comparison GROUP SME

*Thank you for agreeing to speak with us today. My name is <name> and this is <name>, and we are researchers from USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH). We are here today because USAID/BiH has commissioned MEASURE-BiH to conduct an independent evaluation of the USAID/BiH and Sida FIRMA activity. As part of the evaluation, we're conducting detailed site visits to 48 of FIRMA stakeholders of different types (SME designated beneficiaries, SME non-designated beneficiaries, value chain facilitators (FIRMA implementing partners), and government institutions and agencies), over the next several weeks. In each site, we'll be speaking with the key stakeholders involved in the FIRMA activity. In addition, we are also meeting with 6 companies in the FIRMA targeted industry sectors which were not FIRMA beneficiaries.*

*The purpose of this site visit is to provide us with an in-depth understanding of the FIRMA activity implementation approach, the challenges encountered during implementation and the strategies used to address those challenges, as well as best practices and lessons learned that may be applicable to other SME support programs. Meetings with the companies which are not FIRMA direct beneficiaries yet are in the same industry sectors as FIRMA beneficiary companies, such as yourself, will allow us to evaluate FIRMA beneficiary selection process, potential spillover effects of FIRMA activities, and FIRMA's influence on overall business environment for the targeted sectors. In addition, we would like to get feedback about the most pressing issues in the relevant sectors from you as well. Our aim is to learn from your experiences and the information you provide to us will be used in combination with what we learn from others to produce an overview of how FIRMA activity is being implemented. Your comments are confidential and you will not be identified by name in any report.*

*<NAME> will be taking notes while we talk. With your permission, we would also like to record this session so that we can refer to the audio to clarify our notes later if necessary. Do we have your permission to begin recording? Do you have any questions before we start?*

---

## 1. Background and Context

First I'd like to start off with some general questions to give us a little bit background.

- How would you describe your company and its main activities and what are the main goods and services your company provides?
- How many employees are there in your company (full time, part time, and seasonal)?
- What is your current position and how long have you been in this company?

## 2. Knowledge about FIRMA

Next, we have a set of questions that related to your knowledge about FIRMA.

- Have you ever heard of USAID/BiH and Sida FIRMA activity?
    - **PROBE:** *If yes,* what do you know about FIRMA interventions?
- Have you ever tried to participate in FIRMA activities?
- What is the reason that your company has not been involved in FIRMA activities?

## 3. Policy Change and Sustainability

Now, I'd like to ask you about FIRMA's efforts on policy change.

- Have you noticed any changes in regulations and policies relevant to your sector in recent years?
    - **PROBE:** *If yes,* what changes have you noticed? How have these changes affected your company? Do you know if these changes were related to efforts under FIRMA and whether FIRMA activities in the area of policy environment were in line with the sector's needs?
- What is your opinion of sustainability of FIRMA activities, that is, transferring FIRMA activities to local counterparts (e.g. value chain facilitators)?

## 4. Recommendations

Next, we have some questions about the recommendations from your perspective.

- What are the recommendations from your perspective for future donor or government interventions in the sector/sub-sector your company operates in?
    - **PROBE**: What are specific recommendations in terms of access to finance of the companies in your sector/sub-sector?
- What are the main needs of your sector/sub-sector today?
    - **PROBE**: What are the biggest business challenges your company currently faces?
- What can government do to make your job easier?
    - **PROBE**: What are the biggest challenges you currently face in terms of regulations and policies?

## 5. CONCLUSION

- Is there anything else you would like to share with us?

# USAID/BiH and Sida Fostering Interventions for Rapid Market Advancements

# (FIRMA)

# Evaluation Interview Guide

# Value Chain Facilitator

*Thank you for agreeing to speak with us today. My name is <name> and this is <name>, and we are researchers from USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH). We are here today because USAID/BiH has commissioned MEASURE-BiH to conduct an independent evaluation of the USAID/BiH and Sida FIRMA activity. As part of the evaluation, we're conducting detailed site visits to 48 of FIRMA stakeholders of different types (SME designated beneficiaries, SME non-designated beneficiaries, value chain facilitators (FIRMA implementing partners), and government institutions and agencies), over the next several weeks. In each site, we'll be speaking with the key stakeholders involved in the FIRMA activity. In addition, we are also meeting with 6 companies in the FIRMA targeted industry sectors which were not FIRMA beneficiaries.*

*The purpose of this site visit is to provide us with an in-depth understanding of the FIRMA activity implementation approach, the challenges encountered during implementation and the strategies used to address those challenges, as well as best practices and lessons learned that may be applicable to other SME support programs. Our aim is to learn from your experiences, not to audit or judge your work in any way. The information you provide to us will be used in combination with what we learn from others to produce an overview of how FIRMA activity is being implemented. Your comments are confidential and you will not be identified by name in any report.*

*<NAME> will be taking notes while we talk. With your permission, we would also like to record this session so that we can refer to the audio to clarify our notes later if necessary. Do we have your permission to begin recording? Do you have any questions before we start?*

---

## 1. Background and Context

First I'd like to start off with some general questions to give us a little bit background.

- How would you describe your organization and its main activities?
- How many employees are there in your organization?
- What is your current position and how long have you been in this organization?

## 2. FIRMA IMPLEMENTATION PROCESS

Next, we have a set of questions that related to your experience with FIRMA.

- How did your organization first become involved in FIRMA?
- What type of activities have you been involved through FIRMA and how were these activities implemented?
    - **PROBE**: Can you describe the process of participating in FIRMA activities?
    - **PROBE:** Can you describe the process of developing and updating Action Plans, identifying, and planning these activities?
    - **PROBE**: How many companies in FIRMA targeted sectors you worked with throughout FIRMA intervention? In which sectors/sub-sectors?
    - **PROBE:** Can you describe the process of designing and/or implementing activities in more detail?
- Were FIRMA activities in line with the needs of the targeted sectors?
- How did you finance your share of the activities in FIRMA?
- In your experience, have you seen any changes in access to finance for companies in FIRMA targeted sectors over the last five years?
    - **PROBE**: If yes, what would you attribute this change to?
    - **PROBE**: Are you aware of DCA guarantee tool which is available through FIRMA? If yes, what is your opinion about the appropriateness of this tool for FIRMA targeted sectors?

## 3. FIRMA ACHIEVEMENTS AND CHALLENGES

Next, let's discuss some questions that related to FIRMA achievements and challenges from your perspective.

- What were the most useful parts and resulting achievement of FIRMA activities for your organization?
    - **PROBE:** What changes did your organization make as a result of the activities?
    - **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

      As a result of FIRMA activities, did you see substantial changes in any of the following areas in the FIRMA targeted sectors: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?
- What were the least useful parts and challenges encountered during your participation in FIRMA and how have these challenges been addressed?
    - **PROBE:** Did your organization encounter any difficulties throughout your participation in FIRMA?

- **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

  As a result of FIRMA activities, did you see substantial changes in any of the following areas in the FIRMA targeted sectors: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?

## 4. POLICY CHANGE and Sustainability

Now, I'd like to ask you about FIRMA's efforts on policy change.

- Have you noticed any changes in government policies or institutions relevant to FIRMA targeted sectors in recent years?
  - **PROBE:** *If yes,* what changes have you noticed? How have these changes affected the companies in the relevant sectors? Do you know if these changes were related to efforts under FIRMA and whether FIRMA activities in the area of policy environment were in line with the sectors' needs?
- What is your general opinion of sustainability of FIRMA activities, that is, transferring FIRMA activities to value chain facilitators such as your organization?
- Do you think, overall, that your organization specifically has benefited from being FIRMA implementing partner? Please explain.
- Do you think your organization will be able to carry out FIRMA activities once FIRMA is over?
  - **PROBE**: Did FIRMA provide enough assistance to your organization to become capable of providing the types of assistance to the companies in FIRMA targeted sectors similar to the ones provided by FIRMA?

## 5. Recommendations AND LESSONS LEARNED

Now that we have an understanding of the FIRMA implementation, we have some questions about the recommendations and lessons learned from your perspective.

- What are the lessons learned and recommendations from your experience as FIRMA implementing partner for future donor or government interventions in FIRMA targeted sectors?
- What are the main needs of your organization and companies in FIRMA targeted sectors today?
- What can government do to make your job easier?
  - **PROBE**: What are the biggest challenges your organization and companies in FIRMA targeted sectors currently face in regulations and policies?

## 6. CONCLUSION

- Is there anything else you would like to share with us?

# USAID/BiH and Sida Fostering Interventions for Rapid Market Advancements

# (FIRMA)

# Evaluation Interview Guide

# Government Institutions and Agencies

*Thank you for agreeing to speak with us today. My name is <name> and this is <name>, and we are researchers from USAID/BiH Monitoring and Evaluation Support Activity (MEASURE-BiH). We are here today because USAID/BiH has commissioned MEASURE-BiH to conduct an independent evaluation of the USAID/BiH and Sida FIRMA activity. As part of the evaluation, we're conducting detailed site visits to 48 of FIRMA stakeholders of different types (SME designated beneficiaries, SME non-designated beneficiaries, value chain facilitators (FIRMA implementing partners), and government institutions and agencies), over the next several weeks. In each site, we'll be speaking with the key stakeholders involved in the FIRMA activity. In addition, we are also meeting with 6 companies in the FIRMA targeted industry sectors which were not FIRMA beneficiaries.*

*The purpose of this site visit is to provide us with an in-depth understanding of the FIRMA activity implementation approach, the challenges encountered during implementation and the strategies used to address those challenges, as well as best practices and lessons learned that may be applicable to other SME support programs. Our aim is to learn from your experiences, not to audit or judge your work in any way. The information you provide to us will be used in combination with what we learn from others to produce an overview of how FIRMA activity is being implemented. Your comments are confidential and you will not be identified by name in any report.*

*<NAME> will be taking notes while we talk. With your permission, we would also like to record this session so that we can refer to the audio to clarify our notes later if necessary. Do we have your permission to begin recording? Do you have any questions before we start?*

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## 1. Background and FIRMA Experience

First I'd like to start off with some general questions to give us a little bit background and some questions about your experience with FIRMA.

- How did your institution first become involved with FIRMA?
    - **PROBE**: Can you describe the process that your institution got involved with FIRMA?
- What do you consider to be objectives for the FIRMA activity?

- **PROBE:** Do you think these objectives reflect the needs of the three targeted sectors in Bosnia and Herzegovina?

- Which of FIRMA's objectives are most relevant to your institution?
  - **PROBE:** Do you think these objectives reflect the needs of your institution?

## 2. FIRMA IMPLEMENTATION PROCESS

Next, we have a set of questions that related to your experience with FIRMA.

- What do you know about FIRMA implementation approach?
  - **PROBE**: Do you think the types of activities organized by FIRMA reflect the needs of SMEs in the three FIRMA target sectors?
  - **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

    As a result of FIRMA activities, did you see substantial changes in any of the following areas in the FIRMA targeted sectors: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?
  - **PROBE**: What do you think about FIRMA's use of implementing partners – value chain facilitators in the implementation of its activities?
- What are the specific FIRMA activities your institution participated in?
  - **PROBE**: Can you describe the process of these activities' implementation? How did each type of assistance come about?
- Were FIRMA activities in line with the needs of your institution?
- In your experience, have you seen any changes in access to finance for companies in FIRMA targeted sectors over the last five years?
  - **PROBE**: If yes, what would you attribute this change to?
  - **PROBE:** Are you aware of DCA guarantee tool which is available to FIRMA? If yes, what is your opinion about the appropriateness of this tool for targeted sectors?

## 3. FIRMA ACHIEVEMENTS AND CHALLENGES

Next, let's discuss some questions that related to FIRMA achievements and challenges from your perspective.

- What were the most useful parts and resulting achievement of FIRMA activities for your institution?
  - **PROBE:** What changes did your institution make as a result of the activities?
- What do you think were the most useful parts and resulting achievement of FIRMA activities for the companies in the FIRMA targeted sectors?

- **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

  As a result of FIRMA activities, did you see substantial changes in any of the following areas for the companies in the FIRMA targeted sectors: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?

- What were the least useful parts and challenges encountered during your participation in FIRMA and how have these challenges been addressed?
  - **PROBE:** Did your institution encounter any difficulties throughout your participation in FIRMA?
- What do you think were the least useful parts and challenges of FIRMA activities for the companies in the FIRMA targeted sectors?
  - **PROBE:** Note to interviewer – Probe on any of the following items that were not already mentioned. Get examples whenever possible.

    As a result of FIRMA activities, did you see substantial changes in any of the following areas for the companies in the FIRMA targeted sectors: overall competitiveness; product and productivity improvements (including certifications, value-added level increase, and introduction to new technologies and innovation); connection to domestic and foreign markets and international promotion; access to finance; workforce development; and general improvements in business environment, sales, exports, and employment?
- What is your opinion of sustainability of FIRMA activities, that is, transferring FIRMA activities to local counterparts (e.g. value chain facilitators)?

## 4. POLICY CHANGE

Next, I would like to ask you more specifically about FIRMA's efforts on policy changes.

- What were the biggest challenges in terms of the regulations and polices relevant to the three FIRMA targeted sectors prior to FIRMA (i.e. in 2008/2009)?
  - **PROBE:** Were there any challenges specific to the wood processing sector? Tourism sector? Light manufacturing/metal processing sector?
- What have been the most substantial changes in policies or government institutions relevant to the FIRMA targeted sectors in the last five years?
- Was your institution involved in initiating or preparing advice on these changes?
  - **PROBE**: *If yes*, How? Did you receive FIRMA assistance in making these changes?
    - **PROBE**: *If yes*, can you briefly describe the assistance provided by FIRMA? Did you find it useful? Why or why not?
- How have changes in regulations and polices affected your institution?
- How have these changes affected the three FIRMA targeted sector?

## 5. Recommendations AND LESSONS LEARNED

Now that we have an understanding of the FIRMA implementation, we have some questions about the recommendations and lessons learned from your perspective.

- From your perspective, what are the lessons learned from FIRMA and recommendations for future donor or government interventions in FIRMA targeted sectors?
    - **PROBE**: What are specific lessons learned and recommendations in terms of access to finance of the companies in FIRMA targeted sectors and more specifically of the DCA guarantee?
- What are the main needs of FIRMA targeted sectors today?
- What are the main general needs of government institutions and agencies relevant for the FIRMA targeted sectors today?
    - **PROBE**: More specifically, what are the needs of your institution?

## 6. CONCLUSION

- Is there anything else you would like to share with us?

# ANNEX IV. DOCUMENTS REVIEWED

1. Action Memorandum for the Acting Mission Director: Approval of the SME Support Activity Including Conditional Gift Acceptance, December 2008
2. BiH Light Manufacturing Sector Assessment, April 2010
3. FIRMA Activity database
4. FIRMA Business Results: Project Year 2
5. FIRMA Business Results: Project Year 3
6. FIRMA Business Results: Project Year 4
7. FIRMA Business Results: Project Year 5
8. FIRMA Baseline Survey 2011
9. FIRMA Baseline Survey 2012
10. FIRMA Baseline Survey 2013
11. FIRMA Annual Report: Project Year 1 (September 2009-August 2010)
12. FIRMA Annual Report: Project Year 2 (September 2010-August 2011)
13. FIRMA Annual Report: Project Year 3 (September 2011-August 2012)
14. FIRMA Annual Report: Project Year 4 (September 2012-August 2013)
15. FIRMA Annual Report: Project Years 5 (September 2013-August 2014)
16. FIRMA Performance Management Plan (revised June, 2010)
17. FIRMA Performance Management Plan (revised October, 2010)
18. FIRMA Work Plan: Project Year 1 (October 2009-December 2010)
19. FIRMA Work Plan: Project Year 2 (September 2010-December 2011)
20. FIRMA Work Plan: Project Year 3 (September 2011-December 2012)
21. FIRMA Work Plan: Project Year 4 (September 2012-December 2013)
22. FIRMA Activity Database: Certification and Trade Fairs completed
23. Mid-Term Evaluation of FIRMA Program by Embassy of Sweden in Sarajevo (October 2011)
24. USAID Fostering Interventions for Rapid Market Advancement Contract Award (August, 2009)
25. USAID Fostering Interventions for Rapid Market Advancement Contract Modification (May, 2012)

# ANNEX V. LIST OF KEY INFORMANT INTERVIEWEES AND FOCUS GROUP PARTICIPANTS

| # | Name of the Interviewed Stakeholder | Type of Stakeholder | Location | Date of the Interview |
|---|---|---|---|---|
| 1 | Sarajevo Navigator | VCF | Sarajevo | 4/13/2015 |
| 2 | SERDA | VCF | Sarajevo | 4/13/2015 |
| 3 | Unis Fagas | DB | Sarajevo | 4/14/2015 |
| 4 | Green Visions | DB | Sarajevo | 4/14/2015 |
| 5 | Foreign Trade Chamber of B&H | VCF | Sarajevo | 4/14/2015 |
| 6 | NERDA | VCF | Tuzla | 4/14/2015 |
| 7 | Urban namještaj | DB | Banja Luka | 4/15/2015 |
| 8 | Chamber of Commerce of Republic Srpska | VCF | Banja Luka | 4/15/2015 |
| 9 | Topling | DB | Prnjavor | 4/16/2015 |
| 10 | Hotel Vidović | NDB | Banja Luka | 4/16/2015 |
| 11 | Ministry of Trade and Tourism - Republic Srpska | GOV | Banja Luka | 4/16/2015 |
| 12 | Malagić&Divani | DB | Živinice | 4/20/2015 |
| 13 | Isowood d.o.o. | DB | Gračanica | 4/21/2015 |
| 14 | Širbegović Inžinjering | DB | Gračanica | 4/21/2015 |
| 15 | NBR | VCF | Modriča | 4/21/2015 |
| 16 | Arting Gradnja | DB | Lukavac | 4/22/2015 |
| 17 | Helios | DB | Banovići | 4/22/2015 |
| 18 | FEN-BiH | CG | Lukavac | 4/22/2015 |
| 19 | Green Tour | VCF | Tuzla | 4/24/2015 |
| 20 | Lasta Travel | DB | Mostar | 4/27/2015 |
| 21 | LiNK | VCF | Mostar | 4/27/2015 |
| 22 | Federal Ministry of Development, Entrepreneurship and Crafts Part 1 | GOV | Mostar | 4/27/2015 |
| 23 | Podrumi Andrija | DB | Čitluk | 4/28/2015 |
| 24 | Scorpio | DB | Zenica | 4/29/2015 |

| 25 | ZEDA | VCF | Zenica | 4/29/2015 |
|---|---|---|---|---|
| **#** | **Name of the Interviewed Stakeholder** | **Type of Stakeholder** | **Location** | **Date of the Interview** |
| 26 | REZ | VCF | Zenica | 4/29/2015 |
| 27 | Zornik | CG | Tešanj | 4/30/2015 |
| 28 | UPiP | VCF | Žepče | 4/30/2015 |
| 29 | Kadar | DB | Široki Brijeg | 5/5/2015 |
| 30 | REDAH | VCF | Mostar | 5/5/2015 |
| 31 | Tvornica Tehnološke Opreme | NDB | Sarajevo | 5/8/2015 |
| 32 | Dea Group | CG | Sarajevo | 5/11/2015 |
| 33 | Uniklima | DB | Sarajevo | 5/12/2015 |
| 34 | Maomex | NDB | Sarajevo | 5/12/2015 |
| 35 | Zulex | NDB | Sarajevo | 5/12/2015 |
| 36 | Unis Tours | CG | Sarajevo | 5/13/2015 |
| 37 | Export Promotion Agency (part of the Foreign Trade Chamber) | VCF | Sarajevo | 5/13/2015 |
| 38 | Federal Ministry of Development, Entrepreneurship and Crafts Part 2 | GOV | Mostar | 5/13/2015 |
| 39 | Federal Ministry of Environment and Tourism | GOV | Sarajevo | 5/13/2015 |
| 40 | Ministry of Finance of B&H | GOV | Sarajevo | 5/14/2015 |
| 41 | Ministry of Foreign Trade and Economic Relations | GOV | Sarajevo | 5/14/2015 |
| 42 | Ministry of Economic Relations and Regional Cooperation - Republic Srpska | GOV | Banja Luka | 5/15/2015 |
| 43 | Federal Ministry of Energy | GOV | Mostar | 5/21/2015 |
| 44 | Ministry of Industry, Energy and Mining | GOV | Banja Luka | 5/25/2015 |
| 45 | Standard | DB | Prnjavor | 5/26/2015 |
| 46 | Fiko Commerce | DB | Cazin | 5/26/2015 |
| 47 | Una RC Kiro Rafting | NDB | Bihać | 5/27/2015 |
| 48 | Plod Centar | VCF | Bihać | 5/27/2015 |
| 49 | Komora Unsko-Sanskog Kantona | VCF | Bihać | 5/27/2015 |
| 50 | Hotel City Boutique | DB | Sarajevo | 5/28/2015 |
| 51 | USAID | Donor | Sarajevo | 5/29/2015 |
| 52 | SIDA | Donor | Sarajevo | 5/29/2015 |

| # | Name of the Interviewed Stakeholder | Type of Stakeholder | Location | Date of the Interview |
|---|---|---|---|---|
| 53 | FIRMA | IP | Sarajevo | 6/4/2015 |
| 54 | ZUP Bascarsija | VCF | Sarajevo | 6/17/2015 |
| 55 | Drvo Klaster | VCF | Banja Luka | 6/17/2015 |

# ANNEX VI. STATISTICAL CLASSIFICATION OF ECONOMIC ACTIVITIES CATEGORIES USED TO DEFINE COMPARISON GROUP

| FIRMA Sub-sector | New Code | Name of the Classification (RS, 2008-2013 and FBiH, 2011-2013) | Old Code | Name of the Classification (FBiH , 2008-2010) |
|---|---|---|---|---|
| **Metal** | 25 | Manufacture of fabricated metal products | 28 | Manufacture of metal products, excluding machinery and equipment |
| **Metal** | 28 | Manufacture of machinery and equipment | 29 | Manufacture of machinery and equipment |
| **Metal** | 29 | Manufacture of motor vehicles, trailers, and semitrailers | 34 | Manufacture of motor vehicles, trailers, and semitrailers |
| | | | 30.01 | Manufacture of office equipment |
| | | | 31.6 | Manufacture of other electronic equipment |
| | | | 32.3 | Manufacture of TV and radio receivers, equipment for recording and reproducing audio or video and supplementary equipment |
| | | | 33.2 | Manufacture of instruments and equipment for measuring, testing, navigation, and other purposes, excluding equipment for managing industrial processes |
| | | | 33.4 | Manufacture of optical instruments and photography equipment |
| | | | 35.3 | Manufacture of air and spacecraft vehicles |
| | | | 35.5 | Manufacture of other transport vehicles |
| **Wood** | 16 | Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 20 | Manufacture of wood and wooden products |
| **Wood** | 31 | Manufacture of furniture | 36.1 | Manufacture of furniture |
| | | | 2.12 | Forest utilization |
| | | | 36.63 | Manufacture of other products |
| **Tourism** | 55 | Accommodation | 55 | Accommodation and catering |
| **Tourism** | 79 | Travel agencies and tour operators, tourist assistance activities | 63.3 | Travel agencies and tour operators, tourist assistance activities |
| **Tourism** | 56 | Catering | 92.32 | Cultural events facilities |
| | | | 92.34 | Other entertainment activities |
| | | | 92.62 | Other sports activities |
| | | | 92.72 | Other recreational activities |

# ANNEX VII. FIRMA GRANTEES

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 1 | 2010/014 | Traditional Cuisine Workshop: Tourism and Traditional Cuisine of Herzegovina | REDAH | VCF | Cross-cutting | 10,000 |
| 2 | 2010/013 | GRAPOS EXPO Fair | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 19,963 |
| 3 | 2010/031 | ZEPS Intermetal 2010 – Advance Marketing Campaign | Poslovni sistem RMK d.d. | | Metal | 17,089 |
| 4 | 2010/029 | Competition in Chair's Design and Workshops at SAN 2010 | INTERFOB | | Wood | 3,000 |
| 5 | 2010/021 | Promotional materials development for the USK Consortium group members | Privredna komora USK | VCF | Wood | 2,180 |
| 6 | 2010/063 | Support to tourism-related activities for the 8th Mostar Blues Festival | Muzički centar Pavarotti | | Tourism | 19,464 |
| 7 | 2010/064 | Sarajevo City-Break regional promotion related to summer events in Sarajevo | NASH Studio | | Tourism | 10,000 |
| 8 | 2010/074 | Sarajevo Green Design Festival | Arhitektonski fakultet Sarajevo | | Cross-cutting | 33,830 |
| 9 | 2010/077 | Herzegovina Cultural Tourism Promotion at the 11th Mediterranean Film Festival | Kino video klub "Amater" | | Tourism | 14,510 |
| 10 | 2010/076 | Sarajevo City Break Regional Promotion – Stage 1: Weekend Media Fair Rovinj | Multimedia doo | | Tourism | 35,644 |
| 11 | 2010/040 | EU Product Safety Standards Pre-Assessment | BHM Zenica | | Cross-cutting | 16,421 |
| 12 | 2010/040 | EU Product Safety Standards Pre-Assessment | Bio-base doo | | Cross-cutting | 8,981 |
| 13 | 2010/040 | EU Product Safety Standards Pre-Assessment | Privredna komora RS | VCF | Cross-cutting | 10,182 |
| 14 | 2010/040 | EU Product Safety Standards Pre-Assessment | INTERFOB | | Cross-cutting | 14,437 |
| 15 | 2010/040 | EU Product Safety Standards Pre-Assessment | DRVO-PD Prijedor | | Wood | 9,150 |
| 16 | 2010/040 | EU Product Safety Standards Pre-Assessment | UNIX doo Zenica | | Cross-cutting | 13,406 |
| 17 | 2010/040 | EU Product Safety Standards Pre-Assessment | QFS Consulting doo | | Cross-cutting | 11,856 |
| 18 | 2010/040 | EU Product Safety Standards Pre-Assessment | IDEA-Co | | Cross-cutting | 5,286 |
| 19 | 2010/040 | EU Product Safety Standards Pre-Assessment | Statheros doo | | Cross-cutting | 6,688 |
| 20 | 2010/040 | EU Product Safety Standards Pre-Assessment | CRQ-BH doo | | Cross-cutting | 11,247 |
| 21 | 2010/040 | EU Product Safety Standards Pre-Assessment | Agencija QS | | Cross-cutting | 6,000 |
| 22 | 2010/075 | Joint Purchasing of Cutting Machine | INOX TRADE d.o.o. | | Metal | 30,000 |
| 23 | 2010/065 | Creating Sarajevo City Break Quality Photo Database for Tourism Industry Needs | Input doo | | Tourism | 15,000 |
| 24 | 2010/135 | Support to Mostar Mechanical Engineering Institute in procurement of laboratory equipment | Institut za mašinstvo Mostar | | Metal | 14,000 |
| 25 | 2010/086 | Gastro Tourism Guidebook Herzegovina | Kadar d.o.o. | | Tourism | 20,250 |
| 26 | 2010/141 | Support the exhibition of Eko Pliva Jajce members at International Tourism Fair in Utrecht, Holland | Eko Pliva Jajce | | Tourism | 15,187 |
| 27 | 2010/128 | Open Waters Life GuardTraining | Ronilački klub "BUK" | | Tourism | 33,290 |
| 28 | 2010/113 | Climbing and Training Centre Smetovi | Scorpio doo | | Tourism | 34,230 |
| 29 | 2010/134 | BH border crossing tourism promotion campaign | Inactive EVRON Marketingska agencija | | Tourism | 16,505 |
| 30 | 2010/142 | Quality Association BiH | Asocijacija za kvalitet BiH | | Cross-cutting | 7,530 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 31 | 2010/138 | Production and printing: Monography: Una River And Its Surroundings and web site | Aquarius Bihać | | Tourism | 16,500 |
| 32 | 2011/168 | Education and certification in product & tool design | Mašinski fakultet Banjaluka | | Metal | 22,455 |
| 33 | 2011/155 | Trebinje Medieval Market Tourism Product | Ženski centar | | Tourism | 42,742 |
| 34 | 2011/153 | Promotion of the efair4u Virtual Fair Portal | Agencija mBox d.o.o. | | Tourism | 32,725 |
| 35 | 2010/123 | Pilot Certification and Promotion of Baščaršija handicrafts | BE konsalting | | Tourism | 48,750 |
| 36 | 2010/053 | FTC workshops on EU Standards and Training of Trainers by TUV Academy | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 17,164 |
| 37 | 2011/159 | BiH Filming Location Guide | Udruženje filmskih radnika BiH | | Tourism | 20,000 |
| 38 | 2011/156 | 9th Mostar Blues Festival | Muzički centar Pavarotti | | Tourism | 24,970 |
| 39 | 2011/167 | Education & Certification of Welders - Stainless Steel & Aluminum | Institut za mašinstvo Mostar | | Metal | 12,000 |
| 40 | 2011/218 | Herzegovina Promotion in Scandinavian Market | Lasta Travel d.o.o. | | Tourism | 36,058 |
| 41 | 2010/106 | Promoting Sarajevo Region in the Candidacy Process for Winter European Youth Festival 2015 | NASH Studio | | Tourism | 20,000 |
| 42 | 2011/177 | Training and Certification of Mountain Guides | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 14,893 |
| 43 | 2010/140 | Mountain Biking (Mbiking) Signage and Destination Marketing for Ozren Outdoor Tourism | S.A. "Trios Consulting" | | Tourism | 14,082 |
| 44 | 2011/242 | SDI/TDI Diving Instructor Training | Aquarius Bihać | | Tourism | 36,156 |
| 45 | 2011/228 | Don't Miss (Inside) Magazine - Promotion of Sarajevo and Herzegovina | Centar za zapošljavanje mladih YES | | Tourism | 30,000 |
| 46 | 2010/067 | Cisto je lijepo Campaign | BORAM Marketing | | Tourism | 16,050 |
| 47 | 2011/164 | Sarajevo Green Design Festival 2011 | BE konsalting | | Tourism | 36,590 |
| 48 | 2010/137 | Export Certification Support Phases II and III | Miviko d.o.o. | | Metal | 14,600 |
| 49 | 2010/137 | Export Certification Support Phases II and III | TT Kabeli d.o.o. | | Metal | 15,000 |
| 50 | 2011/299 | Support to technical skills development in Sarajevo region | Drvni Klaster BiH | VCF | Wood | 17,850 |
| 51 | 2011/298 | Promotional program for export oriented WS companies in NE region of BiH | Obrtnička komora TK | | Cross-cutting | 28,290 |
| 52 | 2011/154 | National Museum Souvenir Shop | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 12,200 |
| 53 | 2011/251 | Vocational education and employment of candidates for mechatronic (AAR 2010/026) | Tešanj Development Agency (TRA) | | Metal | 26,000 |
| 54 | 2011/237 | Sarajevo City Hall - Tourism Attraction Exhibition | Urbing d.o.o. | | Tourism | 40,020 |
| 55 | 2010/151 | Industry Videos - Wood Sector | Refresh Production | | Wood | 28,000 |
| 56 | 2011/294 | Motorcycle Routes Development and Promotion of BiH Tourism | Suburb's Riders Ilidža | | Tourism | 19,219 |
| 57 | 2011/170 | Development of market identity for Outdoor Product Group | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 20,921 |
| 58 | 2011/244 | US Tourism Market Entry | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 38,241 |
| 59 | 2011/291 | Fair SASO 2011 | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 2,419 |
| 60 | 2011/305 | ATA BiH - Year 1 Operations | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 27,248 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 61 | 2011/158 | High school teacher training in Solid Works | MTTC doo | | Wood | 11,700 |
| 62 | 2011/200 | ZEPS Intermetal Fair 2011 | Poslovni sistem RMK d.d. | | Metal | 18,800 |
| 63 | 2010/137 | Export Certification Support Phases II and III | Bosnian beech line d.o.o. | | Wood | 2,500 |
| 64 | 2010/137 | Export Certification Support Phases II and III | BMD Janja | | Wood | 2,500 |
| 65 | 2010/137 | Export Certification Support Phases II and III | Hasic-drvo doo | | Wood | 2,500 |
| 66 | 2010/137 | Export Certification Support Phases II and III | Buljan-ceste doo | | Metal | 2,500 |
| 67 | 2010/137 | Export Certification Support Phases II and III | Elvaco | | Metal | 2,500 |
| 68 | 2010/137 | Export Certification Support Phases II and III | MAKS | | Metal | 2,500 |
| 69 | 2010/137 | Export Certification Support Phases II and III | Metalac Široki Brijeg | | Metal | 2,500 |
| 70 | 2010/137 | Export Certification Support Phases II and III | SARAJ KOMERC d.o.o. | | Metal | 2,500 |
| 71 | 2010/137 | Export Certification Support Phases II and III | Selecta | | Metal | 2,500 |
| 72 | 2011/276 | MIDEST Fair 2011 | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 4,896 |
| 73 | 2011/332 | 50th Anniversary of Metallurgical Institute Kemal Kapetanović - Conference | Metalurški institut Kemal Kapetanović – Zenica | | Metal | 2,500 |
| 74 | 2011/331 | BiH Metal Sector Catalogue | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 5,390 |
| 75 | 2011/178 | French Outdoor Journalists Study Trip | Exploring BH | | Tourism | 5,060 |
| 76 | 2012/348 | Education, certification and employment of trainees in FAD Jelah | Tešanj Development Agency (TRA) | | Metal | 5,850 |
| 77 | 2010/120 | Pilot project of launching the season bus line Sarajevo-Jahorina | Betatel Studio - Insider | | Tourism | 28,350 |
| 78 | 2011/329 | Sarajevo Holiday Market | SDC doo | | Tourism | 40,000 |
| 79 | 2011/247 | BiH Geo Tourism | Operativni menadzment | | Tourism | 4,200 |
| 80 | 2012/368 | Adventure World Summit 2012 | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 3,830 |
| 81 | 2012/356 | Specialized guide Training - Banja Luka | SPEKTAR Zapošljavanje uz posredovanje | | Tourism | 12,490 |
| 82 | 2012/366 | Regional Conference Small Scale Forestry, Private Forests and PEFC Certification | EKO ZONA-Šipovo | | Tourism | 7,000 |
| 83 | 2012/371 | Export Certification Support Phases II and III - Addendum I | TT Kabeli d.o.o. | | Metal | 6,000 |
| 84 | 2012/373 | Western Balkans Map Guide Promotion - Washington DC | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 11,647 |
| 85 | 2012/364 | PIP Miviko | Miviko d.o.o. | | Metal | 10,000 |
| 86 | 2012/387 | Equipping of laboratory for surface treatment, bonding and chemistry of wood - Faculty of Mechanical Engineering Sarajevo | Mašinski fakultet – Sarajevo | | Metal | 0 |
| 87 | 2012/375 | BAU 2013 Munich | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 12,203 |
| 88 | 2012/362 | Scandinavian Tour Operators Fam Trip | Lasta Travel d.o.o. | | Tourism | 9,251 |
| 89 | 2012/394 | High Point Market Week Fall 2012 | Krivaja Beechbrook Corporation | | Tourism | 32,714 |
| 90 | 2011/179 | Outdoor Fairs – Spring 2011: ITB in Berlin and Fiets and Wandel Beurs Outdoor Adventure Trade Fair in Amsterdam | Greenvisions d.o.o. | | Tourism | 0 |
| 91 | 2012/355 | Fair IMM Cologne 2013 | BOMS–expo | | Tourism | 58,168 |
| 92 | 2011/340 | Study Trip - US Flyfishing | Zepter Passport | | Tourism | 2,960 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 93 | 2012/407 | Standards Awareness and Training for FSC CoC and CE | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 13,526 |
| 94 | 2012/384 | (P)SA Germany | NEA Trade | | Wood | 53,186 |
| 95 | 2013/429 | Information bank Database System on adult education | LEFTOR | | Cross-cutting | 3,000 |
| 96 | 2013/427 | Support to Gazelle BH Business Awards 2012/2013 | Colosseum d.o.o Tuzla | | Cross-cutting | 2,514 |
| 97 | 2012/402 | Regional Tourism Promotion of Sarajevo Holiday Market | SDC doo | | Tourism | 10,000 |
| 98 | 2012/420 | Fair INTERIO 2013 Sarajevo and Wood Convention | BMG | | Wood | 15,149 |
| 99 | 2012/421 | EMITT Istanbul (Parent AAR 2012 395 Improving Turkish Tourism Market Connections) | Turistička zajednica FBiH | | Tourism | 3,000 |
| 100 | 2012/424 | BHtour - Tourism Promotion of Bosnia and Herzegovina | Visia d.o.o. | | Tourism | 9,796 |
| 101 | 2012/404 | Pecka Rock Festival | Penjacki klub Extreme | | Tourism | 6,003 |
| 102 | 2013/426 | Facebook Education | Via Media | | Cross-cutting | 4,894 |
| 103 | 2011/247 | BiH Geo Tourism | Visia d.o.o. | | Tourism | 10,900 |
| 104 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Timing d.o.o. | | Metal | 6,000 |
| 105 | 2013/456 | Ramadan Traditions Festival in Sarajevo | SDC doo | | Tourism | 30,000 |
| 106 | 2013/455 | Sarajevo 2014 Promotion | SDC doo | | Tourism | 25,000 |
| 107 | 2013/453 | Sarajevo Tourism Attractions on BiH Guide Smart Phone Application | Greenvisions d.o.o. | | Tourism | 4,880 |
| 108 | 2013/466 | Adult Education and Training Centre | Tešanj Development Agency (TRA) | | Cross-cutting | 34,090 |
| 109 | 2013/448 | MTB Routes Mt. Kozara | Pro Cycling Biciklistički klub | | Tourism | 13,420 |
| 110 | 2013/449 | UK FAM Trips | Zepter Passport | | Tourism | 4,350 |
| 111 | 2013/463 | Turkish Outdoor FAM Trip | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 3,939 |
| 112 | 2011/244 | US Tourism Market Entry | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 10,400 |
| 113 | 2012/406 | Support to Establishment of B&H Business Angels Network | East Codes & Tours d.o.o Sarajevo | | Tourism | 16,500 |
| 114 | 2012/391 | Trade Certification Fund CBC | REZ | VCF | Cross-cutting | 28,611 |
| 115 | 2013/483 | Establishing Wood Quality Center - Addendum | ZEDA | VCF | Cross-cutting | 10,070 |
| 116 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Provis d.o.o. | | Cross-cutting | 4,300 |
| 117 | 2012/371 | Export Certification Support Phases II and III - Addendum I | MCE doo | | Metal | 4,300 |
| 118 | 2013/480 | EU Directives Training | TÜV Adria | | Cross-cutting | 4,000 |
| 119 | 2013/454 | Exhibition of MP companies at Hannover Fair 2014 | Deling d.o.o. | | Metal | 3,000 |
| 120 | 2013/487 | Support to Design Cabinet at Arts Academy in Sarajevo | Akademija likovnih umjetnosti | | Cross-cutting | 10,627 |
| 121 | 2013/476 | Banovici Steam Railroad | Bosanski kolosjek | | Tourism | 13,759 |
| 122 | 2013/454 | Exhibition of MP companies at Hannover Fair 2014 | Miviko d.o.o. | | Metal | 6,500 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 123 | 2012/371 | Export Certification Support Phases II and III - Addendum I | MALAGIĆ Živinice | | Wood | 1,500 |
| 124 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Malagić&Divani | | Wood | 1,500 |
| 125 | 2012/363 | Vocational training for new employment in BiH wood and metal processing companies | PREVENT Gorazde | | Metal | 32,520 |
| 126 | 2012/363 | Vocational training for new employment in BiH wood and metal processing companies | EĆO | | Wood | 14,473 |
| 127 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Latat Komerc doo | | Metal | 4,100 |
| 128 | 2014/504 | Export Certification Support Addendum II | TTO - Tvornica Tehnološke Opreme | | Metal | 4,500 |
| 129 | 2012/371 | Export Certification Support Phases II and III - Addendum I | STANDARD SARAJEVO | | Wood | 5,350 |
| 130 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Ingrat d.o.o. | | Wood | 1,000 |
| 131 | 2014/494 | Specialized training of tourist guides for Jajce town | Omladinski centar - Jajce | | Tourism | 7,795 |
| 132 | 2014/513 | Regional promotion of Herzegovina cultural tourism: MBF2014 | Muzički centar Pavarotti | | Tourism | 15,000 |
| 133 | 2014/514 | Sarajevo 1914 Tour | Insider d.o.o. | | Tourism | 20,060 |
| 134 | 2012/371 | Export Certification Support Phases II and III - Addendum I | MS & WOOD d.d. (ex ŽICA) | | Wood | 0 |
| 135 | 2014/519 | Rafting Rally 2014 | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 39,099 |
| 136 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Izazov doo | | Wood | 1,230 |
| 137 | 2012/371 | Export Certification Support Phases II and III - Addendum I | Solidwood Gradačac | | Wood | 950 |
| 138 | 2012/371 | Export Certification Support Phases II and III - Addendum I | NIRBO | | Wood | 1,000 |
| 139 | 2010/034 | Seminar "Approved and authorized Exporter Status" | PLOD Bihać | VCF | Cross-cutting | 720 |
| 140 | 2010/007 | ZEPS Intermetal Fair 2010 | LiNK | VCF | Metal | 623 |
| 141 | 2010/032 | European Aluminum Fair 2010- Essen, Germany | LiNK | VCF | Metal | 623 |
| 142 | 2010/033 | Automechanika Fair 2010- Frankfurt | LiNK | VCF | Metal | 624 |
| 143 | 2010/011 | BiH Sawlog Market Assessment | Drvni Klaster BiH | VCF | Wood | 7,200 |
| 144 | 2010/061 | Support to access to finance - LiNK and Plod | PLOD Bihać | VCF | Cross-cutting | 5,400 |
| 145 | 2010/061 | Support to access to finance - LiNK and Plod | LiNK | VCF | Metal | 6,400 |
| 146 | 2010/034 | Seminar "Approved and authorized Exporter Status" | REZ | VCF | Cross-cutting | 2,432 |
| 147 | 2010/034 | Seminar "Approved and authorized Exporter Status" | SERDA | VCF | Cross-cutting | 1,522 |
| 148 | 2010/007 | ZEPS Intermetal Fair 2010 | Privredna komora RS | VCF | Cross-cutting | 525 |
| 149 | 2010/033 | Automechanika Fair 2010- Frankfurt | Privredna komora RS | VCF | Cross-cutting | 525 |
| 150 | 2010/007 | ZEPS Intermetal Fair 2010 | NERDA | VCF | Cross-cutting | 550 |
| 151 | 2010/032 | European Aluminum Fair 2010- Essen, Germany | NERDA | VCF | Cross-cutting | 550 |
| 152 | 2010/033 | Automechanika Fair 2010- Frankfurt | NERDA | VCF | Cross-cutting | 550 |
| 153 | 2010/007 | ZEPS Intermetal Fair 2010 | REZ | VCF | Cross-cutting | 215 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 154 | 2010/033 | Automechanika Fair 2010- Frankfurt | REZ | VCF | Cross-cutting | 215 |
| 155 | 2010/007 | ZEPS Intermetal Fair 2010 | SERDA | VCF | Cross-cutting | 263 |
| 156 | 2010/033 | Automechanika Fair 2010- Frankfurt | SERDA | VCF | Cross-cutting | 262 |
| 157 | 2010/007 | ZEPS Intermetal Fair 2010 | UPIP Žepče | VCF | Metal | 1,318 |
| 158 | 2010/007 | ZEPS Intermetal Fair 2010 | ZEDA | VCF | Cross-cutting | 1,470 |
| 159 | 2010/007 | ZEPS Intermetal Fair 2010 | PLOD Bihać | VCF | Cross-cutting | 225 |
| 160 | 2010/032 | European Aluminum Fair 2010- Essen, Germany | PLOD Bihać | VCF | Cross-cutting | 225 |
| 161 | 2010/033 | Automechanika Fair 2010- Frankfurt | PLOD Bihać | VCF | Cross-cutting | 225 |
| 162 | 2010/149 | Financial Control Training – WS (parent AAR 056) | Simplex-Human Resources Management | | Cross-cutting | 2,880 |
| 163 | 2010/056 | Financial Control Training – WS – Addendum I | Simplex-Human Resources Management | | Cross-cutting | 750 |
| 164 | 2010/035 | Metal Processors Interactive Web Portal | Lucid Linx Consulting | | Metal | 7,000 |
| 165 | 2010/081 | Design, Construction, and Handling of LM Trade Show Booth | AD ARTE d.o.o. | | Wood | 75,000 |
| 166 | 2010/079 | EKOBIS 2010 WS Conference & Promotion | Privredna komora USK | VCF | Wood | 6,983 |
| 167 | 2010/080 | Cluster DRVO Prijedor Promotional Program | Cluster DRVO Prijedor | | Wood | 9,060 |
| 168 | 2010/069 | Cycling Routes in Vrbas Pliva Region | ZELENE STAZE UDRUZENJE | VCF | Tourism | 18,970 |
| 169 | 2010/071 | Outdoor Association Support | Operativni menadzment | | Tourism | 34,538 |
| 170 | 2010/036 | Metal Products Catalogs | CPU d.o.o. | | Metal | 11,350 |
| 171 | 2010/034 | Seminar "Approved and authorized Exporter Status" | LiNK | VCF | Metal | 1,982 |
| 172 | 2010/007 | ZEPS Intermetal Fair 2010 | Poslovni sistem RMK d.d. | | Metal | 11,747 |
| 173 | 2010/062 | Assessment of tourism gastro offer in main tourism locations in Herzegovina | REDAH | VCF | Cross-cutting | 7,600 |
| 174 | 2010/082 | High Point Market Week Fall Fair 2010 | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 32,791 |
| 175 | 2010/036 | Metal Products Catalogs | SERDA | VCF | Cross-cutting | 5,000 |
| 176 | 2010/090 | CAD/CAM Training | REZ | VCF | Cross-cutting | 19,800 |
| 177 | 2010/091 | SASO 2010 Fair | REZ | VCF | Cross-cutting | 7,250 |
| 178 | 2010/095 | BiH Innovation Capacity Improvement | Udruženje "Centar za razvoj poduzetništva" | | Cross-cutting | 11,250 |
| 179 | 2010/089 | CAD/CAM Info Workshop | REZ | VCF | Cross-cutting | 3,400 |
| 180 | 2010/094 | B2B for USA Tour Operators FAM Trip | Bato doo | | Tourism | 19,020 |
| 181 | 2010/022 | Enterprise Resource Planning Systems - ERP | NERDA | VCF | Cross-cutting | 975 |
| 182 | 2010/047 | Customer Survey Summer 2010 | Sarajevo Navigator/Linden | VCF | Tourism | 8,330 |
| 183 | 2010/083 | Education and Certification in Operating CAD-CAM Integration | MTTC doo | | Metal | 6,020 |
| 184 | 2010/081 | Design, Construction, and Handling of LM Trade Show Booth | AD ARTE d.o.o. | | Wood | 9,000 |
| 185 | 2010/091 | SASO 2010 Fair | AD ARTE d.o.o. | | Wood | 21,700 |
| 186 | 2010/023 | Improvement of BiH International Fairs | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 3,800 |
| 187 | 2010/052 | Qualified Business Financial Consultants - QBFC | Željko Rička | | Cross-cutting | 1,600 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 188 | 2010/085 | Sommeliers Course in Herzegovina | REDAH | VCF | Cross-cutting | 10,850 |
| 189 | 2010/068 | Improving catering and tourism management practices | ZELENE STAZE UDRUZENJE | VCF | Tourism | 14,475 |
| 190 | 2010/101 | Belgrade Furniture Fair Promotion Program | Privredna komora RS | VCF | Cross-cutting | 14,864 |
| 191 | 2010/102 | Presentation of available financial resources (grants and loans) for SMEs in Bihac (parent AAR146) | PLOD Bihać | VCF | Cross-cutting | 3,570 |
| 192 | 2010/105 | International Sales Manager training | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 7,500 |
| 193 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 1,320 |
| 194 | 2010/107 | Study Tour for regional touroperators | TA"Respect" d.o.o. | | Tourism | 3,000 |
| 195 | 2010/083 | Education and Certification in Operating CAD-CAM Integration | LiNK | VCF | Metal | 930 |
| 196 | 2010/034 | Seminar "Approved and authorized Exporter Status" | NERDA | VCF | Cross-cutting | 2,706 |
| 197 | 2010/059 | Education and Certification of Welders | Institut za mašinstvo Mostar | | Metal | 22,100 |
| 198 | 2010/052 | Qualified Business Financial Consultants - QBFC | Refik Rošić | | Cross-cutting | 1,000 |
| 199 | 2010/083 | Education and Certification in Operating CAD-CAM Integration | MTTC doo | | Metal | 5,418 |
| 200 | 2010/064 | Sarajevo City-Break regional promotion related to summer events in Sarajevo | Sarajevo Navigator/Linden | VCF | Tourism | 800 |
| 201 | 2010/148 | Participation of Academy of Fine Arts on D3 Talents competition in Cologne (IMM Fair 2011) | Akademija likovnih umjetnosti | | Wood | 16,546 |
| 202 | 2010/115 | Doing Business in Crisis - Workshop | Privredna komora RS | VCF | Cross-cutting | 2,071 |
| 203 | 2010/059 | Education and Certification of Welders | Institut za zavarivanje d.o.o. Tuzla | | Metal | 52,093 |
| 204 | 2010/052 | Qualified Business Financial Consultants - QBFC | Ensar Omeragic | | Cross-cutting | 2,500 |
| 205 | 2010/052 | Qualified Business Financial Consultants - QBFC | LiNK | VCF | Metal | 1,000 |
| 206 | 2010/136 | Performance Improvement Plan Standard Prnjavor | Privredna komora RS | VCF | Cross-cutting | 8,973 |
| 207 | 2010/131 | CE Mark - Info Workshop | REZ | VCF | Cross-cutting | 1,990 |
| 208 | 2011/157 | Automechanika & Autoinvest 2011 Fair in St.Petersburg | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 18,212 |
| 209 | 2010/132 | Interiors NEC Birmingham Fair 2011 | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 14,524 |
| 210 | 2010/057 | BH National Pavilion - IMM Cologne Fair | BOMS–expo | | Tourism | 21,650 |
| 211 | 2010/084 | Fontana Hotel Assistance | Anita Šimundža | | Tourism | 6,250 |
| 212 | 2010/057 | BH National Pavilion - IMM Cologne Fair | ARTISAN | | Wood | 19,100 |
| 213 | 2010/057 | BH National Pavilion - IMM Cologne Fair | RUKOTVORINE d.o.o. | | Wood | 6,000 |
| 214 | 2010/139 | Performance Improvement Plan Sconto Prom Prijedor | Privredna komora RS | VCF | Cross-cutting | 11,750 |
| 215 | 2010/057 | BH National Pavilion - IMM Cologne Fair | Innovattivo | | Wood | 5,200 |
| 216 | 2010/052 | Qualified Business Financial Consultants - QBFC | Aleksandar Čolić | | Cross-cutting | 1,500 |
| 217 | 2010/121 | Strenghtening SA Navigator's Capacities to Serve the Industry | Sarajevo Navigator/Linden | VCF | Tourism | 35,984 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 218 | 2010/052 | Qualified Business Financial Consultants - QBFC | Miodrag Đurđević | | Cross-cutting | 3,000 |
| 219 | 2010/041 | WEB Portal – Wood Sector | STRIK CONSULTING | | Wood | 3,950 |
| 220 | 2010/127 | Pilot Workshop on Environmental Permits | REZ | VCF | Cross-cutting | 1,800 |
| 221 | 2011/180 | NEXPO Fair 2011 - Sarajevo Tourism Presentation | Sarajevo Navigator/Linden | VCF | Tourism | 10,000 |
| 222 | 2010/126 | Exhibition of MP companies at Hannover Fair 2011 | AD ARTE d.o.o. | | Wood | 60,210 |
| 223 | 2010/022 | Enterprise Resource Planning Systems - ERP | SERDA | VCF | Cross-cutting | 975 |
| 224 | 2010/052 | Qualified Business Financial Consultants - QBFC | Saša Stevanović | | Cross-cutting | 3,000 |
| 225 | 2011/160 | INTERIO Fair 2011 WS Joint Exhibition and Promotion | Studio A4A | | Cross-cutting | 10,500 |
| 226 | 2011/165 | GAST Fair 2011 | BOMS–expo | | Tourism | 30,000 |
| 227 | 2011/181 | Metal Sector Focus Groups | LiNK | VCF | Metal | 2,205 |
| 228 | 2010/083 | Education and Certification in Operating CAD-CAM Integration | MTTC doo | | Metal | 6,020 |
| 229 | 2011/152 | Adult Vocational Training program for wood and metal sectors | SERDA | VCF | Cross-cutting | 36,086 |
| 230 | 2011/211 | BiH Innovation Support Network | ARTECO | | Wood | 1,500 |
| 231 | 2011/211 | BiH Innovation Support Network | ZEDA | VCF | Cross-cutting | 1,500 |
| 232 | 2011/165 | GAST Fair 2011 | REZ | VCF | Cross-cutting | 20,955 |
| 233 | 2011/165 | GAST Fair 2011 | Udruženje obrtnika "Stari i umjetnički zanati" | | Cross-cutting | 6,500 |
| 234 | 2010/007 | ZEPS Intermetal Fair 2010 | ZEDA | VCF | Cross-cutting | 4,900 |
| 235 | 2011/166 | CE marking - Info workshop | REZ | VCF | Cross-cutting | 3,590 |
| 236 | 2010/127 | Pilot Workshop on Environmental Permits | REZ | VCF | Cross-cutting | 3,708 |
| 237 | 2010/146 | Promotional events of QBFC program | REZ | VCF | Cross-cutting | 3,900 |
| 238 | 2010/052 | Qualified Business Financial Consultants - QBFC | Mensur Hećimović | | Cross-cutting | 3,000 |
| 239 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | CCSN Consulting doo | | Wood | 1,850 |
| 240 | 2011/161 | SEE Auto Compo 2011 Fair in Kragujevac | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 3,010 |
| 241 | 2010/052 | Qualified Business Financial Consultants - QBFC | Katica Poljo | | Cross-cutting | 3,000 |
| 242 | 2010/146 | Promotional events of QBFC program | SERDA | VCF | Cross-cutting | 3,000 |
| 243 | 2011/154 | National Museum Souvenir Shop | Studio Zec | | Tourism | 31,000 |
| 244 | 2010/146 | Promotional events of QBFC program | Privredna komora RS | VCF | Cross-cutting | 3,620 |
| 245 | 2010/146 | Promotional events of QBFC program | NERDA | VCF | Cross-cutting | 3,627 |
| 246 | 2011/168 | Education and certification in product & tool design | Privredna komora RS | VCF | Cross-cutting | 1,350 |
| 247 | 2011/160 | INTERIO Fair 2011 WS Joint Exhibition and Promotion | BOMS–expo | | Cross-cutting | 32,000 |
| 248 | 2011/203 | Environmental Permits in Bugojno and Zenica | REZ | VCF | Cross-cutting | 8,050 |
| 249 | 2011/167 | Education & Certification of Welders - Stainless Steel & Aluminum | Institut za mašinstvo Mostar | | Metal | 19,188 |
| | | Activity Name - Grant Purpose | Grantee Name | Is | Sector | Payment |

| | | | | Grantee a VCF | | Amount KM |
|---|---|---|---|---|---|---|
| 250 | 2010/104 | Fourth Joint Annual B&H Forestry Conference | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 0 |
| 251 | 2010/104 | Fourth Joint Annual B&H Forestry Conference | Drvni Klaster BiH | VCF | Wood | 2,710 |
| 252 | 2010/076 | Sarajevo City Break Regional Promotion – Stage 1: Weekend Media Fair Rovinj | Sarajevo Navigator/Linden | VCF | Tourism | 2,138 |
| 253 | 2010/040 | EU Product Safety Standards Pre-Assessment | LiNK | VCF | Metal | 535 |
| 254 | 2010/130 | NERDA capacity building for implementation of ISO 14001 | NERDA | VCF | Cross-cutting | 6,166 |
| 255 | 2011/239 | Fair ICFF New York | Drvni Klaster BiH | VCF | Wood | 8,800 |
| 256 | 2011/200 | ZEPS Intermetal Fair 2011 | ZEDA | VCF | Cross-cutting | 8,650 |
| 257 | 2011/200 | ZEPS Intermetal Fair 2011 | Ekonomski Institut | | Cross-cutting | 19,900 |
| 258 | 2011/161 | SEE Auto Compo 2011 Fair in Kragujevac | AD ARTE d.o.o. | | Wood | 23,790 |
| 259 | 2011/210 | Conference: Innovations in SME development | Cluster DRVO Prijedor | | Wood | 13,320 |
| 260 | 2011/234 | Mapping entrepreneurial potential for economic position of women in Republic of Srpska | ProEduca | | Cross-cutting | 12,635 |
| 261 | 2011/245 | USK Wood sector promotion program | Privredna komora USK | VCF | Wood | 7,350 |
| 262 | 2010/125 | FSC CoC auditors and lead auditors training course | Privredna/Gospodarska komora FB iH | VCF | Cross-cutting | 4,216 |
| 263 | 2010/092 | Intense Business English Course for SMEs | REZ | VCF | Cross-cutting | 5,060 |
| 264 | 2010/125 | FSC CoC auditors and lead auditors training course | Privredna komora RS | VCF | Cross-cutting | 3,835 |
| 265 | 2011/172 | Performance Improvement Plan Nova Forma Samac | Privredna komora RS | VCF | Cross-cutting | 5,000 |
| 266 | 2011/225 | Herzegovina Branding Process | REDAH | VCF | Cross-cutting | 11,050 |
| 267 | 2011/181 | Metal Sector Focus Groups | Privredna komora RS | VCF | Metal | 2,704 |
| 268 | 2010/100 | Promoting the BH metal sector through specialized foreign industry magazines | ICBL-Inovacioni centar Banja Luka | | Metal | 1,750 |
| 269 | 2011/222 | Performance Improvement Plan – Nova DI Vrbas | Privredna komora RS | VCF | Cross-cutting | 11,333 |
| 270 | 2011/236 | High Point Spring Fair 2011 | Privredna komora RS | VCF | Cross-cutting | 2,160 |
| 271 | 2011/160 | INTERIO Fair 2011 WS Joint Exhibition and Promotion | SERDA | VCF | Cross-cutting | 7,600 |
| 272 | 2010/078 | Trade Certification Program - USK and RS WP Companies | Privredna komora USK | VCF | Wood | 21,000 |
| 273 | 2010/052 | Qualified Business Financial Consultants - QBFC | LiNK | VCF | Metal | 5,000 |
| 274 | 2010/075 | Joint Purchasing of Cutting Machine | UPIP Žepče | VCF | Metal | 1,800 |
| 275 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 13,780 |
| 276 | 2011/290 | Environmental permits in Bihać | PLOD Bihać | VCF | Cross-cutting | 7,550 |
| 277 | 2011/229 | Capacity Building for VCFs - Enhancing Management Capacities of PLOD Centre Bihac | PLOD Bihać | VCF | Cross-cutting | 4,096 |
| 278 | 2011/244 | US Tourism Market Entry | Gong | | Tourism | 2,016 |
| 279 | 2011/244 | US Tourism Market Entry | Husky Sport | | Tourism | 754 |
| 280 | 2011/244 | US Tourism Market Entry | Impress BH doo | | Tourism | 414 |
| 281 | 2011/211 | BiH Innovation Support Network | LiNK | VCF | Metal | 670 |
| | | **Activity Name - Grant Purpose** | **Grantee Name** | **Is Grantee** | **Sector** | **Payment Amount** |

| | | | | a VCF | | KM |
|---|---|---|---|---|---|---|
| 282 | 2011/269 | Training of welders in Tesanj | Tešanj Development Agency (TRA) | | Metal | 10,740 |
| 283 | 2010/074 | Sarajevo Green Design Festival | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 2,089 |
| 284 | 2011/244 | US Tourism Market Entry | Amos Graf | | Tourism | 1,428 |
| 285 | 2011/244 | US Tourism Market Entry | Gong | | Tourism | 200 |
| 286 | 2011/322 | TIV Hardenberg Fair in Netherlands | REZ | VCF | Cross-cutting | 6,120 |
| 287 | 2011/303 | High Point Market Week Fall 2011 | Privredna komora RS | VCF | Cross-cutting | 4,340 |
| 288 | 2011/200 | ZEPS Intermetal Fair 2011 | REZ | VCF | Cross-cutting | 23,250 |
| 289 | 2010/061 | Support to access to finance - LiNK and Plod | PLOD Bihać | VCF | Cross-cutting | 7,200 |
| 290 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 6,255 |
| 291 | 2010/078 | Trade Certification Program - USK and RS WP Companies | Privredna komora RS | VCF | Cross-cutting | 53,840 |
| 292 | 2011/323 | Fair WOON BEURS Amsterdam 2011 | REZ | VCF | Cross-cutting | 2,995 |
| 293 | 2011/232 | Capacity Building for VCFs - Enhancing Project Preparation Capacities of BZUP and Sarajevo Navigator | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 3,750 |
| 294 | 2012/411 | QTC for Metal Sector (AAR 2010/150 Qualified Technical Consultants) | REDAH | VCF | Cross-cutting | 55,500 |
| 295 | 2011/211 | BiH Innovation Support Network | LiNK | VCF | Metal | 3,400 |
| 296 | 2011/211 | BiH Innovation Support Network | PLOD Bihać | VCF | Cross-cutting | 3,400 |
| 297 | 2011/291 | Fair SASO 2011 | Drvni Klaster BiH | VCF | Wood | 18,750 |
| 298 | 2011/211 | BiH Innovation Support Network | Inactive Mašinski Institut K.Kapetanović | | Metal | 3,400 |
| 299 | 2011/211 | BiH Innovation Support Network | ARTECO | | Wood | 3,400 |
| 300 | 2010/059 | Education and Certification of Welders | Institut za zavarivanje d.o.o. Tuzla | | Metal | 14,006 |
| 301 | 2011/301 | Energy Efficiency Workshops in USK | PLOD Bihać | VCF | Cross-cutting | 3,980 |
| 302 | 2011/321 | EKOBIS 2011 WS conference | Privredna komora USK | VCF | Wood | 2,373 |
| 303 | 2011/328 | Belgrade Furniture Fair 2011 | Privredna komora RS | VCF | Cross-cutting | 12,730 |
| 304 | 2010/129 | Annual Overview of Sarajevo City-break offer | Sarajevo Navigator/Linden | VCF | Tourism | 19,400 |
| 305 | 2011/211 | BiH Innovation Support Network | Cluster DRVO Prijedor | | Wood | 6,800 |
| 306 | 2011/334 | DRVOPRODEX Performance Improvement Plan | Privredna komora RS | VCF | Cross-cutting | 8,000 |
| 307 | 2011/329 | Sarajevo Holiday Market | Sarajevo Navigator/Linden | VCF | Tourism | 40,000 |
| 308 | 2011/333 | Support to establish the Center for Technical Support (CTP) for Cluster "DRVO" Banja Luka | Privredna komora RS | VCF | Cross-cutting | 5,750 |
| 309 | 2011/338 | Training of car seats sewers in Gorazde | Aldi: Agencija za lokalne razvojne incijative Goražde | | Cross-cutting | 13,150 |
| 310 | 2011/302 | Interiors NEC Birmingham Fair 2012 | Woodline Marketing Ltd. | | Wood | 22,934 |
| 311 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 17,760 |
| 312 | 2011/160 | INTERIO Fair 2011 WS Joint Exhibition and Promotion | ARTECO | | Wood | 7,240 |
| 313 | 2011/292 | Fair IMM Cologne 2012 | Drvni Klaster BiH | VCF | Wood | 38,560 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 314 | 2010/106 | Promoting Sarajevo Region in the Candidacy Process for Winter European Youth Festival 2015 | Sarajevo Navigator/Linden | VCF | Tourism | 1,200 |
| 315 | 2011/337 | Exhibition of MP companies at Hannover Fair 2012 | REZ | VCF | Cross-cutting | 36,347 |
| 316 | 2010/137 | Export Certification Support Phases II and III | LiNK | VCF | Metal | 1,200 |
| 317 | 2010/137 | Export Certification Support Phases II and III | LiNK | VCF | Metal | 1,200 |
| 318 | 2011/336 | Fair INTERIO 2012 Sarajevo | REZ | VCF | Cross-cutting | 9,956 |
| 319 | 2011/336 | Fair INTERIO 2012 Sarajevo | SERDA | VCF | Cross-cutting | 5,200 |
| 320 | 2011/336 | Fair INTERIO 2012 Sarajevo | Drvni Klaster BiH | VCF | Wood | 39,610 |
| 321 | 2011/336 | Fair INTERIO 2012 Sarajevo | Amos Graf | | Cross-cutting | 1,600 |
| 322 | 2011/336 | Fair INTERIO 2012 Sarajevo | GARMOND | | Cross-cutting | 900 |
| 323 | 2012/352 | Energy efficiency audit training for ZEDA staff | ZEDA | VCF | Cross-cutting | 1,100 |
| 324 | 2011/335 | Fair GAST 2012 Split | REZ | VCF | Cross-cutting | 32,600 |
| 325 | 2012/346 | MP company Trade Mission to Nordbygg Fair 2012 | PLOD Bihać | VCF | Cross-cutting | 1,250 |
| 326 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 9,801 |
| 327 | 2012/360 | SEE Auto Compo Net 2012 Fair in Kragujevac | Privredna komora RS | VCF | Cross-cutting | 2,280 |
| 328 | 2012/372 | Herzegovina Promotion and Branding Activities | REDAH | VCF | Tourism | 2,000 |
| 329 | 2010/135 | Support to Mostar Mechanical Engineering Institute in procurement of laboratory equipment | LiNK | VCF | Metal | 1,120 |
| 330 | 2011/167 | Education & Certification of Welders - Stainless Steel & Aluminum | LiNK | VCF | Metal | 962 |
| 331 | 2012/361 | ZEPS Intermetal 2012 | ZEDA | VCF | Cross-cutting | 21,000 |
| 332 | 2012/365 | Logs Distribution in USK - 2012 | Privredna komora USK | VCF | Wood | 2,170 |
| 333 | 2012/367 | Bascarsija Web Development - Content Definition | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 4,800 |
| 334 | 2012/357 | Sarajevo Destination Portal | Sarajevo Navigator/Linden | VCF | Tourism | 30,000 |
| 335 | 2012/358 | Workshops for Sarajevo Holiday Market (SAHM) Exhibitors | Sarajevo Navigator/Linden | VCF | Tourism | 3,000 |
| 336 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 13,972 |
| 337 | 2012/369 | UK Show Room Official Opening | Woodline Marketing Ltd. | | Wood | 2,995 |
| 338 | 2012/388 | CNC skills development in Una-Sana Canton | PLOD Bihać | VCF | Cross-cutting | 6,000 |
| 339 | 2012/361 | ZEPS Intermetal 2012 | UPIP Žepče | VCF | Metal | 26,528 |
| 340 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 7,246 |
| 341 | 2012/386 | EKOBIS 2012 WS conference | Privredna komora USK | VCF | Wood | 2,420 |
| 342 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Nedeljko Kerović, QTC | | Wood | 3,000 |
| 343 | 2012/380 | Certification of production plants | NERDA | VCF | Cross-cutting | 25,400 |
| 344 | 2012/399 | Skopje Design Week 2012 | Drvni Klaster BiH | VCF | Wood | 690 |
| 345 | 2012/383 | M.O.W. Fair Visit | Drvni Klaster BiH | VCF | Wood | 800 |
| | | Activity Name - Grant Purpose | Grantee Name | Is | Sector | Payment |

| | | | | Grantee a VCF | | Amount KM |
|---|---|---|---|---|---|---|
| 346 | 2010/052 | Qualified Business Financial Consultants - QBFC | LiNK | VCF | Metal | 500 |
| 347 | 2011/237 | Sarajevo City Hall - Tourism Attraction Exhibition | Sarajevo Navigator/Linden | VCF | Tourism | 2,400 |
| 348 | 2010/065 | Creating Sarajevo City Break Quality Photo Database for Tourism Industry Needs | Sarajevo Navigator/Linden | VCF | Tourism | 1,200 |
| 349 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 4,000 |
| 350 | 2012/390 | Energy Efficiency Capacity Building for REZ | REZ | VCF | Cross-cutting | 3,000 |
| 351 | 2012/389 | Workshops on Energy Efficiency and Renewable Energy | REZ | VCF | Cross-cutting | 7,000 |
| 352 | 2013/438 | QTC XC (AAR 2010/150 Qualified Technical Consultants) | Elma Šerbo-Radovanović | | Cross-cutting | 3,000 |
| 353 | 2010/137 | Export Certification Support Phases II and III | LiNK | VCF | Metal | 200 |
| 354 | 2012/403 | Exhibition of MP companies at Hannover Fair 2013 | UPIP Žepče | VCF | Metal | 40,405 |
| 355 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Murćo Obućina | | Wood | 3,000 |
| 356 | 2012/408 | USK WS promotional brochures and CDs | Privredna komora USK | VCF | Wood | 6,580 |
| 357 | 2012/409 | Belgrade Furniture Fair 2012 | Privredna komora RS | VCF | Cross-cutting | 13,010 |
| 358 | 2012/405 | Seminars for Exporters | Privredna komora RS | VCF | Cross-cutting | 6,090 |
| 359 | 2012/405 | Seminars for Exporters | REZ | VCF | Cross-cutting | 1,285 |
| 360 | 2012/405 | Seminars for Exporters | LiNK | VCF | Metal | 885 |
| 361 | 2010/147 | Access to Finance DataBase | SERDA | VCF | Cross-cutting | 10,900 |
| 362 | 2013/438 | QTC XC (AAR 2010/150 Qualified Technical Consultants) | Jasenka Perović | | Cross-cutting | 1,000 |
| 363 | 2012/393 | Product development | Privredna komora RS | VCF | Cross-cutting | 22,250 |
| 364 | 2012/391 | Trade Certification Fund CBC | REZ | VCF | Cross-cutting | 5,400 |
| 365 | 2012/418 | Implementation of EUTR (Regulation 995/2010) | NERDA | VCF | Cross-cutting | 6,550 |
| 366 | 2012/418 | Implementation of EUTR (Regulation 995/2010) | NERDA | VCF | Cross-cutting | 5,190 |
| 367 | 2012/425 | Metal Forum 2013 | ZEDA | VCF | Cross-cutting | 32,600 |
| 368 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Senaid Gušić | | Woood | 3,000 |
| 369 | 2011/341 | Youth Entrepreneurship Program | PLOD Bihać | VCF | Cross-cutting | 19,500 |
| 370 | 2012/419 | Bascarsija Handicrafts Promotion and Sales | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 22,000 |
| 371 | 2012/423 | Destination Sarajevo City Break Review | Sarajevo Navigator/Linden | VCF | Tourism | 8,000 |
| 372 | 2012/420 | Fair INTERIO 2013 Sarajevo and Wood Convention | NERDA | VCF | Cross-cutting | 18,350 |
| 373 | 2012/420 | Fair INTERIO 2013 Sarajevo and Wood Convention | SERDA | VCF | Cross-cutting | 17,300 |
| 374 | 2012/420 | Fair INTERIO 2013 Sarajevo and Wood Convention | REZ | VCF | Cross-cutting | 5,250 |
| 375 | 2012/420 | Fair INTERIO 2013 Sarajevo and Wood Convention | Drvni Klaster BiH | VCF | Wood | 3,100 |
| 376 | 2012/422 | GAST 2013 | REZ | VCF | Cross-cutting | 23,800 |
| 377 | 2011/336 | Fair INTERIO 2012 Sarajevo | Drvni Klaster BiH | VCF | Wood | 7,000 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 378 | 2012/421 | EMITT Istanbul (Parent AAR 2012 395 Improving Turkish Tourism Market Connections) | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 1,818 |
| 379 | 2012/371 | Export Certification Support Phases II and III - Addendum I | LiNK | VCF | Metal | 480 |
| 380 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 10,890 |
| 381 | 2010/120 | Pilot project of launching the season bus line Sarajevo-Jahorina | Sarajevo Navigator/Linden | VCF | Tourism | 1,700 |
| 382 | 2013/428 | Development of Occupational and Training Standard | NERDA | VCF | Cross-cutting | 1,380 |
| 383 | 2013/446 | Preparation of Prijedor Mechanical School for delivery of Solid Works education (software, education of teachers & curriculum) | Privredna komora USK | VCF | Wood | 3,123 |
| 384 | 2010/052 | Qualified Business Financial Consultants - QBFC | PLOD Bihać | VCF | Cross-cutting | 500 |
| 385 | 2010/052 | Qualified Business Financial Consultants - QBFC | NERDA | VCF | Cross-cutting | 500 |
| 386 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 7,671 |
| 387 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Maja Bundalo | | Wood | 2,250 |
| 388 | 2011/244 | US Tourism Market Entry | ATA BiH - Udruzenje avanturstickog turizma u BiH | | Tourism | 8,124 |
| 389 | 2010/147 | Access to Finance DataBase | SERDA | VCF | Cross-cutting | 800 |
| 390 | 2013/441 | Marking (tourism signalization) Baščaršija Guilds and Streets | Zona unapredjenog poslovanja Baščaršija | VCF | Tourism | 30,230 |
| 391 | 2013/442 | BiH Souvenirs Catalogue | VITA d.o.o. | | Tourism | 3,000 |
| 392 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 11,602 |
| 393 | 2013/465 | SERDA Project Academy | SERDA | VCF | Cross-cutting | 10,000 |
| 394 | 2013/445 | IMM 2014 Fair | NERDA | VCF | Cross-cutting | 31,300 |
| 395 | 2013/445 | IMM 2014 Fair | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 10,059 |
| 396 | 2013/428 | Development of Occupational and Training Standard | Privredna komora RS | VCF | Cross-cutting | 1,600 |
| 397 | 2013/428 | Development of Occupational and Training Standard | ZEDA | VCF | Cross-cutting | 800 |
| 398 | 2013/428 | Development of Occupational and Training Standard | REDAH | VCF | Cross-cutting | 2,111 |
| 399 | 2013/455 | Sarajevo 2014 Promotion | Sarajevo Navigator/Linden | VCF | Tourism | 54,348 |
| 400 | 2013/454 | Exhibition of MP companies at Hannover Fair 2014 | UPIP Žepče | VCF | Metal | 25,431 |
| 401 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Almir Peštek | | Wood | 600 |
| 402 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 5,000 |
| 403 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 6,534 |
| 404 | 2013/478 | Trade Certification Program for RS WS companies – Addendum No. 1 | Privredna komora RS | VCF | Cross-cutting | 10,000 |
| 405 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | TQM doo | | Wood | 3,000 |
| 406 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,250 |

| | | Activity Name - Grant Purpose | Grantee Name | Is Grantee a VCF | Sector | Payment Amount KM |
|---|---|---|---|---|---|---|
| 407 | 2013/481 | Fair GAST 2014 | REZ | VCF | Cross-cutting | 13,450 |
| 408 | 2013/481 | Fair GAST 2014 | Drvni Klaster BiH | VCF | Wood | 5,550 |
| 409 | 2013/481 | Fair GAST 2014 | Vanjskotrgovinska/Spoljnotrgovinska Komora BiH | VCF | Cross-cutting | 4,700 |
| 410 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | DRVO MEHANIKA d.o.o. | | Wood | 3,000 |
| 411 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Mirko Mališanović | | Wood | 0 |
| 412 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Vesna Gligić | | Wood | 3,000 |
| 413 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,250 |
| 414 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 8,904 |
| 415 | 2013/464 | Establishing Wood Quality Center | ZEDA | VCF | Cross-cutting | 18,700 |
| 416 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,800 |
| 417 | 2014/515 | Conference on Historic and Cultural Heritage | Zepter Passport | | Tourism | |
| 418 | 2014/511 | Radimlja Souvenirs | REDAH | VCF | Cross-cutting | 9,710 |
| 419 | 2013/482 | Fair INTERIO 2014 Sarajevo and Wood Convention | NERDA | VCF | Cross-cutting | 9,100 |
| 420 | 2014/516 | Design Days | NERDA | VCF | Cross-cutting | 11,400 |
| 421 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,250 |
| 422 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,250 |
| 423 | 2013/482 | Fair INTERIO 2014 Sarajevo and Wood Convention | SERDA | VCF | Cross-cutting | 5,900 |
| 424 | 2013/486 | Introducing new technologies for education and employment in Prijedor | Privredna komora USK | VCF | Wood | 15,000 |
| 425 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | Biljana Gavrić | | Wood | 3,000 |
| 426 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | ALFA Konsaliting | | Wood | 3,000 |
| 427 | 2012/410 | QTC for Wood Sector (AAR 2010/150 Qualified Technical Consultants) | SOHO - Poslovni konsalting | | Wood | 1,250 |
| 428 | 2010/052 | Qualified Business Financial Consultants - QBFC | SERDA | VCF | Cross-cutting | 3,315 |
| 429 | 2012/417 | Connecting Designers and WS SMEs | SERDA | VCF | Cross-cutting | 1,800 |
| 430 | 2012/417 | Connecting Designers and WS SMEs | SERDA | VCF | Cross-cutting | 26,275 |
| 431 | 2013/459 | QTC for Wood Sector - addendum | PROMOTIM | | Wood | 6,750 |
| 432 | 2013/457 | MP Quality Fund | Privredna komora USK | VCF | Wood | 3,616 |
| **Total KM** | | | | | | **4,690,782** |

# ANNEX VIII. DISCLOSURE OF ANY CONFLICTS OF INTEREST

| | |
|---|---|
| **Name** | Ye Zhang |
| **Title** | Principal Investigator |
| **Organization** | IMPAQ International, LLC |
| **Evaluation Position?** | ■ Team Leader ☐ Team member |
| **Evaluation Award Number** *(contract or other instrument)* | Monitoring and Evaluation Support Activity (MEASURE-BiH), implemented by IMPAQ International, LLC, Contract No. 168-C-14-00003 |
| **USAID Project(s) Evaluated** *(Include project name(s), implementer name(s) and award number(s), if applicable)* | Fostering Interventions for Market Advancement (FIRMA) Activity, USAID-BiH, implemented by Cardno Emerging Markets Group, Contract No.168-C-00-09-00103--00 |
| **I have real or potential conflicts of interest to disclose.** | ☐ Yes ■ No |
| **If yes answered above, I disclose the following facts:**<br>*Real or potential conflicts of interest may include, but are not limited to:*<br>1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.*<br>2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.*<br>3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.*<br>4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.*<br>5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.*<br>6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.* | |

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

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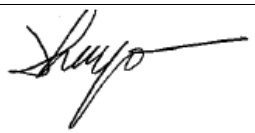
| **Signature** |  |
| **Date** | July 29th, 2015. |

| | |
|---|---|
| **Name** | Naida Carsimamovic Vukotic |
| **Title** | M&E Specialist for Economic Growth |
| **Organization** | IMPAQ International, LLC |
| **Evaluation Position?** | ☐ Team Leader ■ Team member |
| **Evaluation Award Number** *(contract or other instrument)* | Monitoring and Evaluation Support Activity (MEASURE-BiH), implemented by IMPAQ International, LLC, Contract No. 168-C-14-00003 |
| **USAID Project(s) Evaluated** *(Include project name(s), implementer name(s) and award number(s), if applicable)* | Fostering Interventions for Market Advancement (FIRMA) Activity, USAID-BiH, implemented by Cardno Emerging Markets Group, Contract No.168-C-00-09-00103--00 |
| **I have real or potential conflicts of interest to disclose.** | ☐ Yes ■ No |
| **If yes answered above, I disclose the following facts:**<br>*Real or potential conflicts of interest may include, but are not limited to:*<br>*7. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.*<br>*8. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.*<br>*9. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.*<br>*10. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.*<br>*11. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.*<br>*12. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.* | |

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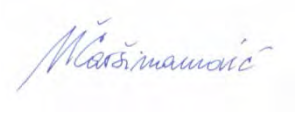
| **Signature** |  |
| **Date** | July 29th, 2015. |

| | |
|---|---|
| **Name** | Anesa Hadzic |
| **Title** | Analyst |
| **Organization** | IMPAQ International, LLC |
| **Evaluation Position?** | ☐ Team Leader ■ Team member |
| **Evaluation Award Number** *(contract or other instrument)* | Monitoring and Evaluation Support Activity (MEASURE-BiH), implemented by IMPAQ International, LLC, Contract No. 168-C-14-00003 |
| **USAID Project(s) Evaluated** *(Include project name(s), implementer name(s) and award number(s), if applicable)* | Fostering Interventions for Market Advancement (FIRMA) Activity, USAID-BiH, implemented by Cardno Emerging Markets Group, Contract No.168-C-00-09-00103--00 |
| **I have real or potential conflicts of interest to disclose.** | ☐ Yes ■ No |
| **If yes answered above, I disclose the following facts:**<br>*Real or potential conflicts of interest may include, but are not limited to:*<br>*13. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.*<br>*14. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.*<br>*15. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.*<br>*16. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.*<br>*17. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.*<br>*18. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.* | |

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

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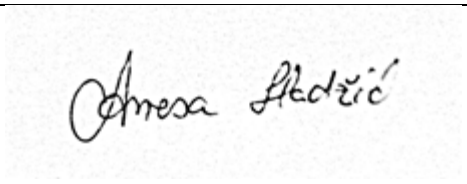
| **Signature** |  |
| **Date** | July 29th, 2015. |

**U.S. Agency for International Development/Bosnia-Herzegovina**

**Robert Frasure Street #1**
**71000 Sarajevo**
**Bosnia and Herzegovina**