

### **Results-Assessment Form for Mid-Term and**

### **Final Project Evaluations/Reviews**

This form has to be filled in electronically by the evaluator/reviewer. No evaluation report will be accepted without this form. The form has to be included at the <u>beginning</u> of the evaluation/review report

(Final Format Nov. 2016)

| Title of project/programme (please, spell out): Integrated Territorial Development Phase 2 – INTERDEV 2 |
|---|
| Contract Period of project/programme: 01/02/2017 to 31/01/2020  |
| ADC number of project/programme: 8302-00/2017   |
| Name of project/programme partner: UNDP   |
| Country and Region of project/programme: Kosovo   |
| Budget of this project/programme: EUR 1,955,000.00 (ADA CONTRIBUTION: 1,650,000 EUR)                    |
| Name of evaluation company (spell out) and names of evaluators: Thomas Vasseur, Gresa Sefaj,            |
| Independent Consultants   |
| Date of completion of evaluation/review: 05 September 2018  |
| Please tick appropriate box:<br>a) Evaluation/review managed by ADA/ADC Coordination Office             |
| b) Evaluation managed by project partner:   |



Austrian Development Agency (ADA), the operational unit of the Austrian Development Cooperation

| Please tick appropriate box:  |  |                      |                    |          |  |  |  |
|---|--|----------------------|--------------------|----------|--|--|--|
| a) Mid-Term Evalua<br>Review  | tion b) Final H  | Evaluation c) M      | lid-Term Review    | d) Final |  |  |  |
|   |  |                      |                    |          |  |  |  |
| Others: please, specify   | y:   |                      |                    |          |  |  |  |
| Project Outcome (Pa   | lease, include as stat   | ed in the Logframe N | Matrix):           |          |  |  |  |
| Municipal public serv<br>local micro and sma<br>environmentally susta   | all businesses is exp  |                      |                    |          |  |  |  |
|   | For Final Evaluation/Review <sup>1</sup> : Project Outcome: To what extent has the project already achieved its outcome(s) according to the Logframe Matrix? <u>Please, tick appropriate box</u> |                      |                    |          |  |  |  |
| Outcome(s) was/were   | :  |                      |                    |          |  |  |  |
| Fully achieved:   | Almost achieved:   | Partially achieved:  | Not achieved:      |          |  |  |  |
|   |  |                      |                    |          |  |  |  |
| <u>Please, also explain your assessment: What exactly was achieved and why? If not achieved, why not?</u> (Please, consider description of outcome and relevant indicators) |  |                      |                    |          |  |  |  |
| acineveu, why not?  | (riease, consider desc   | inpuon of outcome a  | na relevant indica | 1018)    |  |  |  |

<sup>&</sup>lt;sup>1</sup> Please, only fill in in case this is a final project evaluation/review.

For Mid-Term Evaluation/Review<sup>2</sup>: Project Outcome: To what extent do you think the project will most likely achieve its outcome(s) according to the Logframe Matrix <u>Please</u>, <u>tick appropriate box</u>

Outcome(s) will most likely be:

| Fully achieved: | Almost achieved: | Partially achieved: | Not achieved: |  |  |  |
|-----------------|------------------|---------------------|---------------|--|--|--|
|                 |                  |                     |               |  |  |  |
| x               |                  |                     |               |  |  |  |

<u>Please, also explain your assessment:</u> (Please, consider description of outcome and relevant indicators)

Advanced output results to date, project reports and testimonies from interviews, and all data sources, indicate that the project outcome will be fully achieved by the end of the project cycle.

While outcome indicators are not yet fully informed (e.g. public satisfaction level recorded in UNDP Mosaic survey is not yet available), the partial data available or collected are showing progress along the output indicators.

The number of citizens (Indicator P1<sup>3</sup>, established in the project document) is reported to have increased owing to INTERDEV 2 activities and intensified work from municipal rural development departments, mentored by Municipal Project Support Officers (MPSOs). With a large majority of INTERDEV 2 beneficiaries<sup>4</sup> involved in agriculture and having received municipal rural development services in addition to non-INTERDEV 2 clients, an approximative estimation of 15% increase in client numbers (versus the targeted 25%) has already been achieved.

With over a third of interviewed farmers indicating they have taken concrete steps towards reducing their environmental impact, the sample interviewed by the evaluation is an indicator of a surge in practice, limiting the damaging impact on the nature.

In relation to job registration indicator, all employment offices have confirmed all INTERDEV 2 beneficiaries have registered in their offices. And those who have registered, have actually created emulation of more unemployed willing to start their own micro-business, who are also registering with the employment office.

Key activities such as Territorial Employment Pact (TEP) and value chain analysis, have been already conducted before the evaluation has taken place.

The municipalities have been very actively engaged in implementation of activities through Local Action Groups (LAGs).

<sup>&</sup>lt;sup>2</sup> Please, only fill in in case this is a mid-term evaluation/review.

<sup>&</sup>lt;sup>3</sup> Indicator P1: Number of citizens served/cases through rural development services offered by the municipality

<sup>&</sup>lt;sup>4</sup> 487 job seeker provided with professional skill upgrades and self-employment opportunities out of 595 targeted at the end of INTERDEV 2

Project Outputs: To what extent has the project already achieved its outputs<sup>5</sup> according to the Logframe Matrix? <u>Please, tick appropriate boxes</u>

#### **Output 1** (*Please, include as stated in the Logframe Matrix*):

Municipal officials have enhanced capacities in provision of services in rural development

Output was:

| Fully achieved: | Almost achieved: | Partially achieved: | Not achieved: |
|-----------------|------------------|---------------------|---------------|
|                 | x                |                     |               |

<u>Please, explain your assessment:</u> (Please, consider description of output and relevant indicators)

Municipal officials and especially their units supporting the rural and economic development, have been pro-active in counselling and monitoring small rural business beneficiaries of INTERDEV 2. The Municipal Project Support Officers operating from the municipalities, have a played a crucial mentoring role of strengthening the field practice of these units.

**Output 2** (*Please, include as stated in the Logframe Matrix*):

Local micro and small enterprises and farmers have been supported to upgrade their businesses

Output 2 was:

| Fully achieved: | Almost achieved: | Partially achieved: | Not achieved: |
|-----------------|------------------|---------------------|---------------|
|                 | x                |                     |               |

<u>Please, explain your assessment:</u> (Please, consider description of output and relevant indicators)

With 40 small enterprises and farmers selected and having received grant assistance out of the initial target of 45 such grantees, INTERDEV 2 has already reached 90% of its objective. The visited beneficiaries, including some from the previous INTERDEV 1 phase, are all performing strongly and offer perspectives for growth. With a last call of applications planned in 2019, it is expected that the objective for this output will be clearly exceeded.

#### Output 3 (Please, include as stated in the Logframe Matrix):

Bottom-up approaches and local-level concertation for employment generation in the form of

Territorial Employment Pacts operate at the municipal level.

<sup>&</sup>lt;sup>5</sup> In case there are more than three outputs, please, add them.

Output 3 was:

| Fully achieved: | Almost achieved: | Partially achieved: | Not achieved: |
|-----------------|------------------|---------------------|---------------|
|                 | x                |                     |               |

<u>Please, explain your assessment:</u> (Please, consider description of output and relevant indicators)

Territorial Employment Pacts have been fully elaborated and have successfully involved the participation of all relevant stakeholders. More than half of the identified TEP interventions established as part of the three municipal TEPs, have already been implemented, generating a number of 487 individuals benefiting from the TEP interventions. All the 47 TEP beneficiaries visited by the evaluation, are effectively engaged in professional activities and generating incomes. With more TEP interventions planned to move to implementation in the remaining half of the intervention, the target of 595 TEP intervention beneficiaries is also expected to be at least reached, if not surpassed.

#### Impact/Beneficiaries:

How many women, men, girls, boys and people in total have already benefited from this project directly and indirectly? Please, explain

At least 535 individuals and their family members and their employed workers have benefited from INTERDEV activities. This includes:

- At least 9 municipal officials received training and mentorship support

- 40 business owners and their employees received business upgrade grants

- 487 job seeker provided with professional skill upgrades and self-employment opportunities, over half of which are women

What exactly has already changed in the lives of women, men, girls, boys and/or institutions from this project? Please, explain:

- Unemployed women provided with rural business grants have become professional active, gained responsibilities in the management of their activities, gained confidence through their professional practice and earned respect and consideration for their professional services (hairdressers, tailors, farmers...). Some have become the main income-earners of the household and are reported to have a strong say in household expenditure decisions.
- Unemployed young women and men, with INTERDEV assistance, have created a professional perspective for themselves and a preference to engage in a labour active life locally over seeking opportunities outside their municipalities of residence.

- The children of INTERDEV beneficiaries have experienced a life improvement thanks to the steady income realized by their parents' livelihoods. A good example of this is illustrated by parent beneficiaries in a situation of financing higher education to their children; a decision they could not have afforded without INTERDEV. Children of farmers who have reduced or discontinued the use of pesticides, are also enjoying healthier fresh food while they are sensitized to the importance of organic agriculture.
- Institutions have improved the quality of their service delivery, through an optimized more results-focus organization of their Department of Agriculture and Rural Development. They have also increased the impact of their actions through close multi-stakeholder coordination and cooperation where the local-level inter-institutional coherence is increased (providing joint social inclusion solutions vs clustered, disconnected assistance). They also have improved their capacities through a strong commitment to INTERDEV activities (through LAGs under mentoring and coaching activities or TEP actions).

Which positive and/or negative effects/impacts in terms of gender can be possibly be attributed to the project? Please, explain:

Besides the intended project benefits (increased income, self-employment...), female beneficiaries of INTERDEV 2 are experiencing a new situation: They are getting a true professional recognition through clients using their services and the feedback of clients. They are increasingly recognized as credible economic actors and have more visible presence in various professional sectors. The Social Enterprise model has also provided an opportunity to women to have a strong voice in making economic decision for the future of their NGO and their own individual futures as well. The interviews also transferred a strong impression that professionally active women have gained confidence in themselves, their own capacities, potential and future.

INTERDEV 2's strong gender dimension has put pressure to municipalities commitment towards gender equality stronger through their participation to gender-supportive activities and through the involvement of Municipal Gender Officers to the project.

If applicable, which institutions have benefitted from this project/programme and how?

- Municipal authorities: The three selected municipalities have benefited from INTERDEV 2 in multiple ways. The social and economic situations in their territories has improved with vulnerable unemployed becoming economically active and socially included. Public service delivery has improved with municipal staff enhanced capacities in managing assistance to citizens. The three municipalities have been promoted and are more visible thanks to inter-municipal cooperation and economiccultural events organized.
- Departments for Agriculture and Rural Development: Performance and quality improved in the delivery of services, counselling to rural activities, thanks to coaching on technical and advisory support. Employees from these departments have also improved their monitoring and evaluation capacities through trainings organized by the project.

• Employment Offices: These institutions have seen it employment rate slightly

decreasing with the employment office supporting unemployed in the participation of self-employment schemes, part of active labour market measures.

#### Mainstreaming cross-cutting issues:

**Gender:** To what extent was gender mainstreaming included in the project? To what extent were the recommendations - if any- from the ADA internal gender-assessment considered and implemented?

The gender dimension has been treated as a priority for this project, equally to their other cross-cutting issues of social inclusion, environmental protection and economic resilience. The project has developed activities directly targeting women and their socio-economic empowerment. It has also set specific targets with gender disaggregated data. It has also advocated strongly for women participation to the local rural development. In terms of performance, INTERDEV 2 has so far exceeded expectation with 51.7% of TEP beneficiaries being women, which significantly surpasses the targeted 40%, as well as 42.5% versus the target of 35% women-led businesses under the LDF.

INTERDEV 2 has made a breakthrough by involving 219 women so far through training, selfemployment, skills upgrading or social enterprises creation schemes. The self-employed female beneficiaries interviewed are all performing strongly economically. Women are involved in a diversity of activities, from hairdressing, tailoring, or agriculture and have clearly expressed that besides taking pride in generating their own income, they are experiencing genuine respect for their professional performance and feel rewarded by the respect they have earned.

**Environment:** To what extent was environmental mainstreaming included in the project? To what extent were the recommendations - if any- from the ADA internal environment-assessment considered and implemented?

INTERDEV 2 has organised training on organic agriculture and counselling on improved practices towards reducing harmful impact of agriculture on the environment. The project has also provided business upgrade grants to agricultural firms producing exclusively organic plants.

Which positive and/or negative effects/impacts in terms of environment can be possibly be attributed to the project? Please, explain

While some INTERDEV 2 beneficiaries continue to use pesticides, more than half of those interviewees have taken concrete steps to reduce their use of chemicals inputs in their cultivation practice. A good third of visited farmers have almost completely ceased using pesticides. And while they are not certified as such, they meet organic production requirements. Quite often, their awareness has been raised through organic agriculture sensitization and training sessions provided by the project.

Social Standards: To what extent were the social standards monitored by relevant partners? Have any issues emerged? Please, explain

INTERDEV has supported the implementation and monitoring of social standards at various levels:

- The Local Action Groups have monitored the implementation of socially-inclusive eligibility criteria to small rural business applicants.

- The Directorates for Agricultural and Rural Developments, have been assisted with developing a database including data on the social situation of beneficiaries and this unit has been performing monitoring visits also looking at the social situation of applicants and beneficiaries.

#### **Overall/Other Comments:**

The project is boasting strong results at mid-term, giving strong indication that INTERDEV 2 will reach, and possibly exceed the initial targets. The project performance appears to be the results of a trustful and effective partnership with municipal authorities, a professional, experienced and knowledgeable project teams and elaborated and solid implementation mechanisms. Based on the results to date, the views expressed by stakeholders and the beneficiary field visit, the evaluation is confident the project objectives will be reached by the end of January 2020. Given the number of beneficiaries assisted so far, it is likely that some sub-component targets (such as TEP interventions beneficiaries), will be surpassed.

INTERDEV 2 and INTERDEV 1, have contributed to improve the socio-economic situation in the three municipalities, but they have also shed lights and enhanced the attractivity of the targeted territories. It has especially revealed or confirmed the potential of those areas to take inclusive economic growth to the next level. The natural characteristics of the three municipal territories offer a very favourable and unique context for sustainable agritourism development where the social inclusive models of rural cooperatives and social enterprises do represent very relevant solutions for this purpose.





### **EVALUATION REPORT**

# INTEGRATED TERRITORIAL DEVELOPMENT 2 (INTERDEV 2)

### **Mid-Term Project Evaluation**

Evaluation team:

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September 2018

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#### LIST OF ABBREVIATIONS

| ADA      | Austrian Development Agency                             |
|----------|---|
| ADC      | Austrian Development Cooperation                        |
| AWP      | Annual Work Plan  |
| DAFRD    | Department for Agriculture and Rural Development        |
| EO       | Employment Office                                       |
| INTERDEV | Integrated Territorial Development project              |
| LAG      | Local Action Group                                      |
| LDF      | Local Development Fund                                  |
| LED      | Local Economic Development                              |
| MAFRD    | Ministry of Agriculture, Forestry and Rural Development |
| MGO      | Municipal Gender Officer                                |
| MPSO     | Municipal Project Support Officer                       |
| NGO      | Non-Governmental Organization                           |
| SDG      | Sustainable Development Goals                           |
| SE       | Social Enterprise                                       |
| SMEs     | Small and Medium-sized Enterprises                      |
| S4RE     | Skills for Rural Employment (Helvetas Swiss project)    |
| ТЕР      | Territorial Employment Pact                             |
| UNDP     | United Nations Development Programme                    |
| VTC      | Vocational Training Centre                              |

#### Disclaimer

This report was prepared by a team of external international and local specialists, namely Thomas Vasseur and Gresa Sefaj, under the review and oversight of the UNDP in Kosovo<sup>6</sup>. The content, analysis and recommendation of this report, do not reflect necessarily the views of the UNDP or the United Nations' member states nor the Austrian Development Agency.

#### Acknowledgments

The evaluation team wishes to thank UNDP's INTERDEV 2 project management and staff, as well as UNDP's programme staff for providing outstanding assistance throughout the evaluation process, including logistics and facilitation support during the field visit. The evaluation team appreciation goes specifically to the INTERDEV 2 project team, namely Vlora Elshani - Project Manager, Ivica Samardzić - Municipal Project Support Officer in Shtërpcë/Štrpce, Kaltrina Salihu – Municipal Project Support Officer in Dragash/Dragaš, Mehmet Rashiti – Municipal Project Support Officer in Viti/Vitina and Ardiana Ostrozubi – Project Finance and Administrative Assistant.

The evaluators are also grateful to all interviewed stakeholders, including the Austrian Development Agency, partner municipalities of Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina, individual and institutional project beneficiaries, as well as to implementing partners, the Local Development Fund (LDF) for their time and contributions to this external review.



In the picture: Producer of (non-certified) organic blueberries

<sup>&</sup>lt;sup>6</sup> For UNDP, references to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999).

#### **EXECUTIVE SUMMARY**

UNDP Kosovo has commissioned an external evaluation team to review the INTERDEV 2 results and performance half-way through its three-year implementation period. The assessment has involved a field mission where the international and national evaluation specialists have interviewed a wide panel of stakeholders in the municipalities of Dragash/Dragaš, Shtërpcë/Štrpce, and Viti/Vitina as well as Prishtinë/Priština and Suharekë/Suva Reka. With 6 international organisations, 15 local institutions and 61 beneficiaries consulted (50% LDF and 35% TEP female grant beneficiaries interviewed as well as one women-led NGO), this evaluation has been able to establish a solid base to capture the perspectives that have informed the findings presented in this report.

**INTERDEV 2** - Integrated Territorial Development 2 project, is a further intervention of the INTERDEV 'Local-level Response for Employment Generation and Integrated Territorial Development project', implemented in the municipalities of Dragash/Dragaš and Shtërpcë/Štrpce over the period 2014 - 2017.

The initial intervention addressed the key challenges of high rate and long spells of unemployment, lack of decent income generation, poor public services, as well as socio-economic exclusion of women, youth<sup>7</sup>, and vulnerable and other marginalized groups. INTERDEV 1, provided over 900 local citizens with jobs, established 3 social enterprises and upgraded 325 rural micro and small enterprises, besides developing capacities of municipal representatives, private sector and the civil society.

INTERDEV 2 has scaled up its services to a new municipality of Viti/Vitina in the south - east of Kosovo.

With the overall objective that inclusive and sustainable income generation and job creation for women and men is improved in the municipalities of Dragash/Dragaš, Shtërpcë/Štrpce, and Viti/Vitina, the project's purpose is to enhance municipal public service provision in rural development and, in a gender equitable, socially inclusive and environmentally sustainable manner, expand economic activity of local micro and small businesses.

The project has three core pillars of activities: 1) municipal officials have enhanced capacities in provision of services in rural development; 2) local micro and small enterprises and farmers have been supported to upgrade their businesses; and 3) bottom-up approaches and local-level concertation for employment generation in the form of Territorial Employment Pacts operate at the municipal level.

It is expected to reach 700 additional residents (50% women, and 40% non-majority communities) and over 3,800 indirect beneficiaries by January 2020.

<sup>&</sup>lt;sup>7</sup> Youth and women are considered as a group of special attention in Kosovo from an employment perspective as they are recurrently reported in Kosovo Labor Force Surveys as the population groups with the highest unemployment rates.

#### **KEY FINDINGS**

#### Relevance

The strong relevance of INTERDEV 1 is confirmed with this second phase of INTERDEV. The intervention has clearly been designed to support the implementation of the numerous national sectoral strategies of Kosovo touching upon a several key developmental issues: social inclusion, gender equality, youth employment, sustainable development, decentralisation and local self-government empowerment.

INTERDEV is before all a project addressing grass-root priorities and the large sample of project beneficiary interviewees has confirmed the intervention does not only match policy priorities but also the community level challenges faced by the vulnerable unemployment in their local socio-economic context.

#### Effectiveness

The evidence collected by the evaluation is showing strong results at mid-term, and with no implementation challenges identified, the evaluation has a strong confidence in INTERDEV 2, being in a position to reach its objectives.

With respectively 82% of TEP and 89% of small business grants target reached so far, half way into the three years of INTERDEV 2's project, another round of call for proposals and additional TEP beneficiaries planned to be assisted next year, the project will most likely exceed the numerical targets stated in the logical framework.

#### Efficiency

INTERDEV's effective delivery of impressive results is achieved, thanks to a number of key aspects: the partnerships established with municipalities are long-standing, trustful and well-functioning based on concrete actions taken by local institutions, an experienced and knowledgeable project team, a permanent field-based mentorship presence and elaborated and solid implementation mechanisms.

#### Impact

All of the INTERDEV 1 supported small rural business visited are still performing strongly, thus bringing a strong evidence of the impact of INTERDEV overall.

INTERDEV 2 has raised awareness of the local institutions about the convergence of social inclusion and economic development by getting them concretely involved in socially inclusive actions.

The project has significantly increased the resilience of marginalised unemployed enabling them to actively engage in profitable livelihoods.

The project has made a significant commitment to including women in a rather conservative rural environment where unemployment is reaching peaks among females and where traditional economic activities are still pictured as typical manly jobs.

INTERDEV 2 has made a breakthrough by involving 219 women so far through training, selfemployment, skills upgrading or social enterprises creation schemes. The self-employed female beneficiaries interviewed are all performing strongly economically. Women are involved in a diversity of activities, from hairdressing, tailoring, or agriculture and have clearly expressed that, besides taking pride in generating their own income, they are experiencing genuine respect for their professional performance and feel rewarded by the respect they have earned.

INTERDEV 2 has continued to change not just mentalities but also concrete cultivating practices more protective of the environment.

#### Sustainability

INTERDEV 2 is stimulating the sustainability of its results in several ways:

<u>A mentorship presence</u>: The Municipal Project Support Officer, is central to instigating sustainability. The officer has coaching/counselling role to municipal authorities, local institutions. Through daily interaction and concrete situation, the MPSOS ensures the municipality and its units (Gender, Rural development) does not only acquire new knowledge but learn from practice through joint field monitoring and advisory visits to beneficiaries. A recurrent comment expressed by interviewees highlighted a clear difference of impact between one-time interventions and longer-term commitments: little knowledge or good practices survived punctual interventions delivery technical assistance; often because the expertise was no longer present or available. INTERDEV MPSOs physical and permanent presence ensures the capacity is brought but also put into practice, and counselling remains available over time. As an example, both majority of farmers and employees from municipal rural development units, have used the MPSOs practical mentorship role after trainings and assistance was delivered.

<u>A local entity</u>: With the LAG being granted a proper role into project coordination, supervision of implementation, and also in decision-making (with the LAG members sitting at the project board but also a beneficiary selection committees), INTERDEV 2 has effectively transferred ownership to a body existing at the local level. The challenge in the future will consist in providing the means and the status for the LAG to pursue an active and leading role in inclusive rural development interventions. It will be necessary for the LAG to develop its own strategy, to remain an engine in this field at the municipal level.

<u>A multi-stakeholder process rooted in the territory</u>: The Territorial Employment Pacts have demonstrated that the commitment and the capacities of local institutions is much greater when they lead with the process such as definition of territorial priorities and monitoring of their implementation, than when they are merely consulted to designate grant beneficiaries throughout the competitive process.

#### **Social Inclusion**

INTERDEV 2 has used the experience of the first INTERDEV phase to become even more accurate when it comes to addressing the barriers preventing already socially excluded groups to enjoy a professionally active life. The impact section of the report provides the combination of socioeconomic barriers each specific target groups is facing. INTERDEV 2 provides the vocational training, start-up grants, counselling and networking support unemployed youth needs to establish stable micro-business. The project addresses the land-ownership barrier to women engaging in rural activities. It contributes to adding-value through small food production social enterprises. It stimulates and raises awareness of individual rural businesses to improve environmental-friendly practices. It does stimulate the ownership of local actors who engage collectively in providing coordinated and complementary solutions. The field visit has provided an opportunity for the evaluators to observe that all the 61 beneficiaries interviewed are already or well on track to generate stable incomes and, equally importantly, have become better integrated through their activity, reconnecting to public services and clients.

#### Gender

Gender is strongly mainstreamed across all activities of INTERDEV 2, and this dimension is back with a substantial approach and clear indicators. Territorial Employment Pacts have integrated exclusion challenges faced by women and provide empowering labour solutions to majority of employment opportunities to females. The Social Enterprise model recently initiated, is a very promising approach that is expected by increase the income of women, improve their overall projection and increase their professional perspectives for growth through work organisation, production diversification and better marketing. Independent Association of Women from Sevcë/Sevce, is a concrete example of all the potential a social enterprise can bring to change women's working and living conditions.

#### Environment

INTERDEV 2's environmental effort has been considered seriously. And this is meaningful in a context featuring incredible natural resources and where those resources are intimately linked to its economic development but more importantly, where the landscapes and the social fabric offer the conditions for a socially inclusive sustainable economic development. The project has brought convincing changes to date, through training, mentoring and material assistance, resulting in improved environmentally-protective cultivation practices, adopted by a significant number of small farmers (at 30% of those interviewed). The Value Chains' analysis supported by INTERDEV 2, are also instrumental tools to guide further the economic development with the protection of natural resources as a factor of growth.

#### CONCLUSIONS

INTERDEV 2 is well on its way to deliver strong results and improve the situation of hundreds of vulnerable but capable small economic actors in three rural municipalities. While the project has

contributed to consolidating the socio-economic situations of hundreds of individuals from vulnerable groups, it is also brought to the light that the micro-businesses supported can create more value and can potentially form a strong economic model, if this is organised and supported.

Thus, agritourism emerges as a relevant model for sustainable and inclusive development for the municipalities offering strong natural resources and landscapes characteristics, such as Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina.

#### RECOMMENDATIONS

The evaluation has formulated separately recommendations relating to the implementation of the remaining second half of INTERDEV 2 from suggestions in preparation of the future of the project and the further development of the targeted municipalities.

INTERDEV is delivering strongly and timely. Hence, the project's midterm evaluation recommendations for the current implementation, proposes improvement in only couple of areas that will further strengthen the project outcomes.

#### INTERDEV 2 Mid-term Recommendations

- <u>Enrich Monitoring and data collection with additional indicators</u>: It is recommended for municipality to develop simple data collection tools for internal purposes (Department for Agricultural and Rural Development Services, Municipal Gender Officer to demonstrate progress on delivery of services, good environmental practices, progress on the gender equality dimension...) and for external purposes (for INTERDEV 2, to report more accurately on the achievements)
- Formulate INTERDEV 2 capacity benchmarks and objectives for local institutions: The evaluation recommends developing additional indicators than can reflect on the improved competence of the supported municipal agriculture and rural development departments
- Prepare the development of the next phase for INTERDEV during the remaining half of INTERDEV 2: The evaluation sees INTERDEV 1 and 2 as investments which results are already showing a strong inclusive economic growth potential maximising a value-chain based agritourism model

#### Post- INTERDEV 2 Recommendations

 <u>Consult international actors engaged in supporting the inclusive, sustainable, ecological,</u> <u>rural development of the Municipalities from the Sharr/Šar region (or the South East</u> <u>region of Kosovo)</u>: several international development actors have engaged into inclusive economic growth activities that are complementary to INTERDEV 2. Since those organisations are considered to have the expertise and are planning some future interventions, they should be consulted in the development of a post-INTERDEV 2 project phase.

- Promote the model and create rural cooperatives: continue supporting the social enterprise model: INTERDEV should explore a rural cooperative model as a relevant model to drive sustainable inclusive growth by combining the social enterprise approach and the rural cooperative model.
- <u>Develop a grant scheme supporting rural cooperatives and social enterprises</u>: The evaluation recommends supporting the promotion of a rural cooperative model through a grant scheme.
- <u>Develop/update rural economic development action plan that integrates and promotes</u> <u>agritourism</u>: Agritourism is a model that develops the full potential of local natural assets (production and processing of healthy natural food, cultural and natural heritage), while preserving the environment, endangered traditional know-how and preventing migration.
- Review the possibility of empowering LAGs (or any other relevant local stakeholder), as a central stakeholder to inclusive rural (agritourism) economic development: LAG has proven its relevance as a locally-owned actor to support the implementation of INTERDEV 2. LAG's existence so far has been intimately linked to INTERDEV activities. The evaluation recommends to further institutionalise the LAG, so it can fill a durable driving and central role to the development of agritourism.
- <u>Continue to support inter-municipal cooperation based on the coherence of territorial</u> <u>identity (municipal territories sharing similar characteristics)</u>: The three municipalities covered by the project have many characteristics (low mountains, preserved nature), challenges (remote location, under-developed economies), and assets (healthy agriculture and tourism potential) in common. Two of the three, are located in the quality-labelled "Sharr/Šar Region". The inter-municipal synergy initiated under INTERDEV, must be continued as it is a long-term driver of economic dynamism.

#### 1. INTRODUCTION

#### 1.1. DESCRIPTION OF THE INTERVENTION

**INTERDEV 2** is a consecutive phase of the initial INTERDEV 'Local-level Response for Employment Generation and Integrated Territorial Development" project, implemented in the municipalities of Dragash/Dragaš and Shtërpcë/Štrpce over the period 2014 - 2017.

The initial intervention addressed the key challenges of high rate and long spells of unemployment, lack of decent income generation, poor public services, as well as socioeconomic exclusion of women, youth, and other vulnerable groups.

The INTERDEV phase 1 provided over 900 local citizens with jobs and additional income flow, established 3 social enterprises that not only employ vulnerable individuals of the local societies, but also add value to agricultural and textile production in the area, upgraded 325 rural micro and small enterprises which increased their income and created jobs for local communities, developed capacities of municipal representatives, private sector and the civil society in topics of economic development and agriculture, and empowered local officials with improved understanding of effective socioeconomic development and inclusion, importance of human-rights based, participatory processes, and appropriately responding to citizens' needs.

After INTERDEV's success in stimulating the socio-economic potentials and increasing local actors' capacities, enhancing ownership of the activities, INTERDEV 2 has scaled up its services to a new municipality of Viti/Vitina in the south-east of Kosovo.

With the overall objective that inclusive and sustainable income generation and job creation for women and men is improved in the municipalities of Dragash/Dragaš, Shtërpcë/Štrpce, and Viti/Vitina, the project's purpose is to enhance municipal public service provision in rural development and, in a gender equitable, socially inclusive and environmentally sustainable manner, expand economic activity of local micro and small businesses.

The expected results of the project are based on three core pillars of activities: 1) municipal officials have enhanced capacities in provision of services in rural development; 2) local micro and small enterprises and farmers have been supported to upgrade their businesses; and 3) bottom-up approaches and local-level concertation for employment generation in the form of Territorial Employment Pacts operate at the municipal level.

Working closely with a variety of public, private sector, and non-governmental sector partners on the local level (such as the Local Action Groups, local Employment Offices, Municipal Gender Officers, Vocational Training Centres, the Local Development Fund, and the private sector companies in the area), the INTERDEV 2 continues to serve citizens who are at risk of socioeconomic exclusion: local smallholder farmers, micro business initiatives, long-term unemployed and low-skilled or unskilled residents, women, youth, non-majority communities, as well as people with disabilities.

As such, by the end of its three-year duration, i.e., February 2017 - January 2020, the project is expected to serve over 700 additional residents (50% women, and 40% non-majority communities) and will reach over 3,800 indirect beneficiaries.

#### 1.2. EVALUATION PURPOSE

With the INTERDEV phase 2 entering its midpoint of implementation, an external mid-term evaluation of the project has been commissioned to assess the progress of the project towards the expected results and recommend possible adjustments for the remaining period of project implementation.

This mid-term assignment, has the following objectives:

- Review the relevance, impact, effectiveness, efficiency, and sustainability of the intervention from February 2017 to date;
- Provide recommendations for improving the project's efforts in the remaining period of implementation toward achieving the expected results

#### 1.3. SCOPE OF THE EVALUATION

The present evaluation has reviewed the first half of the three-years duration of the INTERDEV 2 project and provides a mid-term assessment of the project's performance for the period January 2017 to July 2018. The assignment outputs include lessons learned from the project and clear strategic and operational recommendations to the UNDP and its partners exploring possible adjustments for the remaining period of project's implementation, as well as recommendations for interventions of similar nature in the target areas and beyond.

While the major focus is on the INTERDEV phase 2, the INTERDEV phase 1 is also considered, i especially when it comes to changes from phase 1 to phase 2.

#### 1.4 EVALUATION QUESTIONS

The development of evaluation questions forms an important methodological component of such an assignment and entails the design of an evaluation matrix which articulates the logic relating OECD evaluation criteria, to questions, judgement criteria, related indicators, rating and relevant sources of information. Such a matrix has been developed and tailored to the project. Additionally, this evaluation has filled the "Results-Assessment Form for Final Project Evaluations/Reviews"; a standard practice and requirement for ADA-funded interventions.

#### 1.5 METHODOLOGY AND LIMITATIONS

The evaluation has been conducted by an independent team of consultants, comprised of a Local Specialist and an International Specialist, tasked with the following activities:

- <u>Comprehensive desk review</u> of relevant project-related documents and UNDP evaluation policies and, based on this information,
- <u>Inception report</u> including a methodology tailored to the assignment, an evaluation matrix based on suggested key evaluation questions, a work plan and data collection tools to be applied during the assignment,
- <u>Field visit phase preparation:</u> The Evaluation Team has established a list of interviews to be conducted beforehand, with clearance from UNDP and the Austrian Development Agency (ADA). An initial briefing meeting with the UNDP team was held, in order to finalize the evaluation design
- <u>On-site field visits</u>, and project beneficiaries' stakeholder interviews in the three municipalities covered by the project in Kosovo.
- <u>Field mission debriefing workshop</u> to present initial findings and recommendations to the main project stakeholders as well as to gather feedback expressed during the venue.
- <u>Mid-term evaluation draft report</u> featuring the methodology applied, findings, lessons learned and clear strategic and operational, stakeholder-specific recommendations with possible adjustments for the remaining period of project's implementation, as well as recommendations for similar interventions.
- <u>Mid-term evaluation final report</u> addressing UNDP and ADA's feedback to the draft report.

This evaluation has used the international standards as recommended in UNDP, UNEG, OECD-DAC and EU evaluation guides. It has also abided by UNEG Ethical Guidelines for Evaluation. It has also used the UNDP evaluation rating scale as well as the ADA Project External Results Assessment Form.

The review has gathered qualitative and quantitative data using the following tools and methods, commonly used in the field of social science:

• Review and analysis of information, directly related to the project (project literature, policy, strategy and study documents);

• Internet-based research and review of publications relevant to the evaluation thematic and context;

• Individual and focus group, face-to-face interviews;

The external review of the project has applied a comprehensive process; guiding the assignment from its inception to the production of the present report, according to a sequence of activities, organised around the following phases:

#### Preparation phase (July 19<sup>th</sup> to August 1<sup>st</sup>):

- 1. Remote evaluation start-up meeting with the UNDP INTERDEV project team
- 2. Desk review and analysis of project-related documents
- 4. Submission of the inception report featuring the design of the evaluation methodology, information collection tools, workplan, evaluation matrix and stakeholder list
- 5. Logistics and stakeholder interview arrangements with the support of UNDP

#### Interview and field phase (August 3<sup>rd</sup> to August 15<sup>th</sup>):

- 1. Stakeholder interviews and visits to project sites (see annexed workplan)
- Debriefing workshop with presentation of initial key findings and recommendations; feedback from stakeholders
- 3. Possible remote interviews with key stakeholders in case of physical unavailability during the field visit.

#### Reporting phase (August 15<sup>th</sup> to November 23<sup>rd</sup>):

- 1. Review and processing of data collected in the field
- 2. Submission of draft mid-term evaluation report to UNDP (August 27<sup>th</sup>)
- 3. Feedback comments to the report from UNDP and ADA (during the month of October)
- 4. Integration of feedback comments & submission of the final version evaluation report (By the end of November)

#### **Field** mission

The evaluation team has conducted individual interviews as well as focus group discussion with a number of beneficiaries. This has involved interviews in Prishtinë/Priština, Prizren, Suharekë/Suva Reka, Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina, as well as in the villages and other rural places of beneficiary residences.

Whenever possible, the evaluation team has split in order to reach out to the maximum number of beneficiaries with the time imparted. Indeed, this has allowed to establish a strong sample of beneficiary information.

#### Field evaluation interviews in numbers

- ✓ 7 international organisations: ADA, Swiss Cooperation, UNDP & 4 International NGOs
- ✓ 1 local NGO partner: LDF
- ✓ 15 municipal-level institution representatives

#### Strong beneficiary sample

- ✓ 61 beneficiaries interviewed including:
- ✓ 3 social enterprises,
- ✓ 11 LDF grantees
- ✓ 47 TEP recipients
- ✓ As well as 10 INTERDEV 1 beneficiaries: 3 LDF, 7 TEP

#### Limitations

The evaluation team did not experience specific limitation during the assignment besides time constraint and some limitations on the existence of data. The timeframe available to conducting field visits and to draft the evaluation report were short and have somehow limited the depth of review for this assignment. The availability of some outcome-level information (for the Indicators O4, O5 and O6 average) would have been useful information to have for the evaluation, in order to consolidate some findings. This said, the evaluation understands that this type of information is not collected regularly and that it may not be available at project's mid-term.

#### 2. ANALYSIS AND FINDINGS

This section presents the findings resulting from the analysis and triangulation of information collected from the different sources (project documentation, relevant literature, direct individual interviews, focus group discussions.)

#### 2.1. RELEVANCE

This section reviews the importance of the relevance or significance of the intervention regarding local and national requirements and priorities? This section is answering the following initial Evaluation Matrix Questions:

2.1.1. Are the project's activities still relevant for the main beneficiaries?

- 2.1.2. Has the initiative tackled key challenges and problems?
- 2.1.3. Have cross-cutting issues (such as environment, gender equality and social

standards), principles and quality criteria (i.e. for private sector development1) of the

Austrian Development Cooperation been duly considered/mainstreamed in the project implementation and how well is this reflected in the project reports? How could they be better integrated?

2.1.4. Have there been any changes in policies and strategy development that have affected the project? If yes, have necessary revisions and adaptations been designed?

2.1.5. What are the areas of relevance for future interventions in the target area?

2.1.6. How does the project link and contribute to the Sustainable Development Goals?

|       | UNDP <sup>8</sup> EVALUATION CRITERIA RATING SCALE: RELEVANCE |                          |  |  |  |  |
|-------|---|--------------------------|--|--|--|--|
| Scale | Correspondence  | <b>Evaluation Rating</b> |  |  |  |  |
| 6     | Highly satisfactory (HS): no shortcomings                     | х                        |  |  |  |  |
| 5     | Satisfactory (S): minor shortcomings                          |                          |  |  |  |  |
| 4     | Moderately satisfactory (MS). Moderate shortcomings           |                          |  |  |  |  |
| 3     | Moderately unsatisfactory (MU): Significant shortcomings      |                          |  |  |  |  |
| 2     | Unsatisfactory (U): Major problems                            |                          |  |  |  |  |
| 1     | Highly unsatisfactory (HU): Severe problems.                  |                          |  |  |  |  |

#### 2.1.1. Continued relevance to main beneficiaries

<u>Finding 1 (F1):</u> INTERDEV 2 activities strongly relevant to beneficiary needs and leading towards further livelihood stabilisation

Vulnerability of marginalised groups, long-term unemployment, slow economic development, remain priority needs in the three municipalities of intervention. Addressing these challenges is clearly supported at the policy level and has been confirmed through all interviews with the representatives of the local institutions met. The strongest evidence the evaluation has gathered, is the systematic expression of those concerns by the TEP and LDF grant beneficiaries interviewed, for whom there is little alternative to self-employment given, with very few job opening opportunities.

INTERDEV 2 remains strongly relevant to TEP and LDF grant current and future beneficiaries. The number of applicants to both INTERDEV 2 grant schemes is significantly higher – with a rate of up to 10 candidates for one grant opportunities – provides an indication of the continued strong interest among the long-term unemployed, individual small farmers and small-size companies.

TEP grants are especially relevant to self-employed service and rural small businesses in that it increases and stabilizes the livelihood of the vulnerable unemployed (this is illustrated into more details in the EFFECTIVENESS section of the report). LDF grants are particularly adjusted to the needs of slightly larger rural business, who have either already demonstrated or have clearly identified their potential for growth. Such grants are also relevant to demonstrating the feasibility of incorporating

<sup>&</sup>lt;sup>8</sup> The evaluation has used a scale commonly used in UNDP project evaluation.

the social inclusion dimension into a profitable business model. LDF grants are integrated in the INTERDEV 2 intervention in the category above individual grants from the value and results perspective. LDF grants are complementary to TEP-related grants as they provide an opportunity for rural business that combine several assets (proven business stability, employing individuals from targeted socially excluded communities, good environmental practice) and potentials (economic growth, provider of additional employment, promotion and exportation of organic food, economic driver role as an expanding local business with sustainable development perspectives). Indeed, TEP, LDF and social enterprise grants, do provide a complementary array of support to address the diversity of social exclusion situations and its specific integration challenges. The EFFECTIVESS section of this report explains how unemployed women who have gotten organised as social enterprises, have successfully improved both - their economic and social situations.

The mentorship role assumed by the Municipal Project Support Officers (MPSO), appears to be the most relevant and effective to adjust to the evolving capacity needs of the local institutions; most importantly the Directorate for Agriculture and Rural Development as well as the LAG.

#### 2.1.2. Relevance in addressing key challenges and problems

#### Finding 2 (F2) No key challenges experienced at mid-term

The evaluation team has not identified any key challenge that has jeopardized the smooth implementation of the first half of INTERDEV 2 and the realisation of the objectives set by the end of the project. The stakeholders' interviews have systematically asked about challenges experienced so far or possible risks for INTERDEV 2 to miss its final objectives. None of the exchanges or the reports are indicating any major unexpected challenge. On the contrary, individuals consistently indicate d that over the years since start of INTERDEV in 2014, the implementation modalities have been improved and fine-tuned, resulting overall in a smoother implementation of activities with INTERDEV 2 as compared to the initial phase.

The EFFCIENCY section comforts this impression based on the verification that INTERDEV 2 has built upon existing implementation mechanisms that have demonstrated efficiency in terms of delivering time results during the INTERDEV 1 phase. The physical proximity of INTERDEV to its partners and potential beneficiaries; the regular multi-stakeholder consultation as a routine practice has also ensured any risk to the project to be identified rapidly and a solution to be devised timely.

The monitoring field visits conducted jointly by INTERDEV's MPSOs and the Agriculture and Rural Development teams to both, beneficiaries and grants applicants, enables to address minor challenges rapidly.

#### 2.1.3. Relevance to addressing cross-cutting issues

#### Finding 3 (F3) Cross-cutting issues effectively addressed with potential for improved reporting

Social inclusion, gender equality and environmental protection, have been explicitly considered both, in the design and implementation phase.

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In its conception, INTERDEV 2's logical framework has set clear targets and indicators for those two dimensions as well as for non-majority communities<sup>9</sup>.

As far as gender is concerned, one objective-level indicator has been established for the share of jobs created by the project for women (50%). (*A similar indicator - with a 40% threshold target - has been set up for non-majority job creation.*) At the output-level, INTERDEV 2 is equipped with two indicators: the share (with a 35% target) of LDF grants women-led business initiatives and the percentage of TEP intervention job opportunities (with a 40% target) created for women.

The project has also developed quantitative indicators touching upon environmental protection, including a project purpose indicator<sup>10</sup> for rural micro-enterprises adopting environmentally sound farming and production, as well as an output-level indicator (with a target number of 20), related to supported small farmer engaging into organic food production.

However, gender equality, the environment and social standards, are not reduced to sole indicators and INTERDEV 2, continues the project's first phase serious commitment to gender equality and the environment. The involvement of Municipal Gender Officer in the INTERDEV 2 activities, is one continuous effort among of the project, to maintain awareness about the situation of women in the targeted municipalities.

The training sessions on organic agriculture, the MPSO's role in providing environmental sensitive technical support, value chain analysis highlighting environmental protection as an economic asset, or trade fair presenting organic products, are the multiple fronts on which the project operates to mainstream the environment.

Social standards have been appropriately translated and built into the beneficiary selection mechanisms and has set clear targets to groups identified as marginalised, such as the non-majority members of the local communities. (see Finding 18 from section 2.4.4. Project effects on social inclusion, vulnerable groups participation and benefits for a detailed description of socially-excluded groups and INTERDEV's response to their specific challenges)

The evaluation finds the targets and indicators set in the logical framework relevant to measuring the project results. Gender equality, social inclusion and the environment are complex topics and capturing the multi-faceted effects produced by INTERDEV 2 require developing additional relevant indicators and collecting information connected to these indicators whenever possible. The IMPACT section of this report describes how the evaluation has found that some small farmers, for instance, are progressively improving their practices with reduced use of pesticides to their plantations.

INTERDEV 1 and 2 have also been touching upon the cross-cutting issue of poverty in a specific but very relevant manner: By supporting municipalities sharing similar weaknesses, (i.e. geographic

<sup>&</sup>lt;sup>9</sup> Non-majority communities on the Kosovo level, i.e. K-Serbs, Gorani, Bosniaks, Roma, Ashkali, and Egyptians..

<sup>&</sup>lt;sup>10</sup> Indicator related to **Target P4:** Additional 255 micro-enterprises adopting environmentally-sound farming and producing

isolation, high unemployment, low economic development and poverty above Kosovo average), but also the same strong assets (rich in natural resources conducive to sustainable development), INTERDEV is also relevant to addressing simultaneously the topics of poverty reduction and sustainable development of areas with a strong, yet undervalued natural potential.

#### 2.1.4. Adjustment to policies and strategic development changes

<u>Finding 4 (F4)</u> No major policy changes while priorities and needs are increasingly acute (environment, eco dev)

The INTERDEV 2 project document establishes very clear references to the numerous policy and strategic priorities its proposed intervention is supporting. INTERDEV 2 has extended the policy relevance initiated with its first phase. As a matter of fact, the project expected outcomes and activities clearly derives from the multiple Kosovo Central Level Sectoral Strategic priorities (promotion of small businesses and self-employment, support to youth employment, strategy for the gender equality, support to local self-government development, support to rural development, support to the production of organic food....) and is therefore highly relevant to the policy context of Kosovo.

With Kosovo sectoral national strategies tightly guided by EU principles and standards, INTERDEV 2 is also a very appropriate translation of EU priorities set for the Western Balkans potential candidate countries but also for the EU, such as the EU 2020 Employment Strategy or EU Common Agricultural Programme. Indeed, with several current strategic objectives set for 2020, INTERDEV 2's final implementation deadline of January 2020, falls very relevantly to strategic objectives time targets.

Finally, it goes without saying that the project documents, has indicated very accurately the multiple Sustainable Development Goals, INTERDEV 2 is intending to contribute to.

#### 2.1.5. Areas of relevance for future interventions

#### Finding 5 (F5) INTERDEV 2 has been raising awareness about promising future areas of relevance

Areas of relevance for future interventions have been identified by the evaluation and it corresponds to creating the conditions required to create sustainable rural development. While this is presented into more details in the SUSTAINABILITY and RECOMMENDATIONS sections, in brief, this entail the following areas:

- ✓ Support to small rural business protection and organisation (cooperatives)
- ✓ Mainstreaming of social enterprise model
- ✓ Implement and use value chain analysis recommendations
- ✓ Integrated agritourism development model

#### 2.1.6. Links and contribution to Sustainable Development Goals

INTERDEV 2 is a multi-faceted project and as such, it is contributing to the achievement of several SDGs, more specifically 7 such Goals and 12 specific objectives.

|              | INTERDEV's 2 contribution to SDGs   |                 |  |
|--------------|---|-----------------|--|
|              | Goal 1: End poverty in all its forms everywhere   |                 |  |
|              | Targets   | Number          |  |
| ✓            | By 2030, reduce at least by half the proportion of men, women and children of all ages          |                 |  |
|              | living in poverty in all its dimensions according to national definitions                       | 1.2.            |  |
|              |   |                 |  |
| $\checkmark$ | By 2030, ensure that all men and women, in particular, the poor and the vulnerable, have        |                 |  |
|              | equal rights to economic resources, as well as access to basic services, ownership and          | 1.4             |  |
|              | control over land and other forms of property, inheritance, natural resources, appropriate      |                 |  |
|              | new technology and financial services, including microfinance                                   |                 |  |
|              |   |                 |  |
|              | Goal 5: Achieve gender equality and empower all women and girls                                 |                 |  |
|              | Targets   | Number          |  |
| ✓            | End all forms of discrimination against all women and girls everywhere                          |                 |  |
| ✓            | Undertake reforms to give women equal rights to economic resources, as well as access to        | 5.1.            |  |
|              | ownership and control over land and other forms of property, financial services, inheritance    | 5.7.            |  |
|              | and natural resources, in accordance with national laws   |                 |  |
|              | Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for       | or all          |  |
|              | Targets   | Number          |  |
| ✓            | Achieve higher levels of economic productivity through diversification, technological           |                 |  |
|              | upgrading and innovation, including through a focus on high-value added and labour-             | 8.2.            |  |
|              | intensive sectors   | 0.2             |  |
| $\checkmark$ | Promote development-oriented policies that support productive activities, decent job            | 8.3.            |  |
|              | creation, entrepreneurship, creativity and innovation, and encourage the formalization and      |                 |  |
|              | growth of micro-, small- and medium-sized enterprises, including through access to              |                 |  |
|              | financial services  |                 |  |
| $\checkmark$ | By 2030, achieve full and productive employment and decent work for all women and men,          |                 |  |
|              | including for young people and persons with disabilities, and equal pay for work of equal       | 8.5.            |  |
|              | value   | 8.6.            |  |
| $\checkmark$ | By 2020, substantially reduce the proportion of youth not in employment, education or           | 0.0.            |  |
|              | training  |                 |  |
|              |   |                 |  |
|              | Goal 9: Build resilient infrastructure, promote sustainable industrialization and foster innova | tion            |  |
|              | Targets   | Number          |  |
| ✓            | Increase the access of small-scale industrial and other enterprises, in particular in           | 9.3.            |  |
|              | developing countries, to financial services, including affordable credit, and their integration | 9.5.            |  |
|              | into value chains and markets   |                 |  |
|              |   |                 |  |
|              | Goal 10: Reduce inequality within and among countries   |                 |  |
|              |   |                 |  |
| ✓            | By 2030, empower and promote the social, economic and political inclusion of all,               | Number<br>10.2. |  |
|              | irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other    |                 |  |
|              | status  |                 |  |
|              |   |                 |  |

|   | Goal 12: Ensure sustainable consumption and production patterns                    |        |  |  |
|---|--|--------|--|--|
|   | Targets  | Number |  |  |
| ✓ | By 2030, achieve the sustainable management and efficient use of natural resources | 12.2.  |  |  |
|   | Goal 16: Promote just, peaceful and inclusive societies                            |        |  |  |
|   | Targets  | Number |  |  |
| ~ | Develop effective, accountable and transparent institutions at all levels          | 16.6.  |  |  |

Of all the above-listed SDG, the evaluation has found INTERDEV 2 has made specifically valuable contribution to the following targets, by order of importance of contribution:

Target 8.3: INTERDEV 2 is supporting all aspects of this target: At the local policy level with TEP, formalisation of growth with small business registration as a condition to receiving assistance. Formalisation is also achieved through social enterprises creation.

Target 8.6: At the local level, INTERDEV has contributed to reducing substantially youth unemployment (in Dragash/Dragaš: INTERDEV 2 has contributed to reducing unemployment by 10% according to the head of the employment office). The target was supported by providing vocational trainings to vulnerable unemployed and unqualified individuals/long-term jobseekers at employment offices.

Target 10.2: INTERDEV is promoting social (social enterprise model, TEP), economic (LDF, TEP grants) and political (local ownership, multi-actor coordinated process through TEP, LAG) inclusion of groups of concern (youth, female, the disabled, ethnic minorities, long-term unqualified unemployed...).

Target 9.3: Integration of small business into value chains (production, export and processing of organic food). Though it is only the beginning of a longer-term process, INTERDEV 2 is supporting small rural businesses to increase the value of production locally (through processing and diversification).

Target 12.2: By promoting and effectively enabling a number of small producers to progressively adopt environmentally friendly practices, the project has been contributing to reach this target.

Target 5.7: By getting agreement of male-owners of land to have their wives officially appointed as legal business owners, INTERDEV 2 has managed to find alternatives to overcome the obstacle of land ownership preventing access of women to economic engagement and business ownership.

#### 2.2. EFFECTIVENESS

This section assesses the extent to which the objectives of the development intervention have been achieved. Assesses the effectiveness or impact of the project compared to the objectives planned (comparison: results vs plans)

This section is answering the following initial Evaluation Matrix Questions:

2.2.1. To what level has the project reached the project purpose and the expected results as stated in the project document (logical framework matrix)?

2.2.2 Is the project on track to achieve its expected results?

2.2.3. What challenges have been faced? What has been done to address the potential challenges/problems? What has been done to mitigate risks?

2.2.4. In what ways could the project improve its efforts in the second half of project's implementation toward achieving the expected results and maximizing impact?

| EVALUATION CRITERIA RATING SCALE: EFFECTIVENESS |  |                          |
|---|--|--------------------------|
| Scale   | Correspondence   | <b>Evaluation Rating</b> |
| 6   | Highly satisfactory (HS): no shortcomings                | x                        |
| 5   | Satisfactory (S): minor shortcomings                     |                          |
| 4   | Moderately satisfactory (MS). Moderate shortcomings      |                          |
| 3   | Moderately unsatisfactory (MU): Significant shortcomings |                          |
| 2   | Unsatisfactory (U): Major problems                       |                          |
| 1   | Highly unsatisfactory (HU): Severe problems.             |                          |

INTERDEV 1 and 2 phases have contributed to improving the livelihoods of marginalised community members running small rural business, getting more women labour-active, increased production and storage capacity, promoted typical food production, reduced the use of chemicals and increased municipal level support capacities. These are some of the several ways INTERDEV has made local socio-economic environments more conducive and prepared for a long-term sustainable development.

#### 2.2.1. Achievements and progress towards reaching project purpose and expected results

#### Finding (F6): First half of INTERDEV 2 is already showing strong results

At mid-term, INTERDEV 2 has already achieved strong results (please see the boxes highlighting "key data from field interview sample" and "summary of key results") and seems to be well on track to reaching, if not exceeding the target set for this phase two.

#### Key data from interview sample

- ✓ 100 % of INTERDEV TEP-supported small businesses/self-employed TEP intervention beneficiaries operating and generating steady income
- ✓ 100% of INTERDEV 1 still operating, generating steady income, and experiencing growth
- ✓ 100% of business upgrades grantees supported through LDF active

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- ✓ Up to 40 % of interviewed farmers have taken concrete steps to reduce their impact on the environment
- ✓ 100% of local stakeholders considering INTERDEV as one the most significant project in their municipality
- ✓ 100% of beneficiaries stating INTERDEV (1 and 2) has provided an opportunity to increasing their income to -at least cover essential household expenses, and a majority with economic growth perspectives

INTERDEV 2 has already completed close to 82% of its TEP job creation objectives at the time of this evaluation and is well under way to exceed the target of 595 jobs created, or livelihoods stabilised by the end of January 2020.

With almost 89% (of which 42.5% of women-led) of the small farmers/business upgrade, the LDF beneficiary target reached under INTERDEV 2 is also expecting to surpass the goal for this component. The project is planning to launch the third/last call for proposals for this grant category in 2019 and the resources available will allow to assist more beneficiaries (approximately up to another 20, depending on the individual value of single grants, having reached an average value of 8,500 EUR so far).

INTERDEV is in its fifth year of implementation and the project has consolidated its mechanisms: public announcements of competitive call for proposals are reaching out potential candidates (most interviewed beneficiaries have consulted announcement on the internet or directly at the municipality buildings), training sessions are ensuring the quality of applications is increasing, clear and thorough selection process (eligibility criteria, field assessments, multi-stakeholder consultations) have suffered almost no complaints and resulted is zero failure rate of supported beneficiaries.

The evaluation has found the project is strongly equipped to meet all the targets as set in the logical framework. With all of the INTERDEV 1 and 2 TEP and small business upgrade beneficiaries performing strongly over time, the evaluation team has been impressed with the quality of results among interviewed beneficiaries, in that, they have been able to generate steady incomes over time or, for the most recent ones, have already secured customers for their services or production. As a matter of fact, all the small businesses visited (apart from those which were just about to be or recently established), were generating steady incomes. This includes micro-businesses with several months and years of existence as was the case with INTERDEV 1 and early INTERDEV 2 activities. While the information collected is only based on beneficiaries' direct accounts, the situation with income generation is characterised as follows:

Income is at minima steady and regular over time in the most difficult situations (with slight decreases for some raspberry producers due to a decrease in the purchasing price for this food item).
In the majority of cases, income has been steady and increased from a modest to a significant level (up to 100% increase)

- The value of monthly income is at least 200 EUR, with an average of 250 to 350 EUR for TEP grants beneficiaries

- Incomes are more significant for LDF grantees: it is difficult to provide an accurate estimate. However, the income of LDF grantees in most cases, has allowed to pay salaries of one to several additional workers.

- This impact of income varies depending on the level of poverty of households: TEP grantees are overall among the most vulnerable both socially and economically. An income of at least 200 EUR (in addition to social benefits or other irregular incomes) is significant as it allows the household to cover some essential costs it could not previously afford.

#### ON TRACK TO REACHING OBJECTIVES: INTERDEV 2 KEY RESULTS TO DATE

EXPECTED RESULTS 1: Enhanced Municipal Capacities in rural development service provision

- ✓ Target number (9) of mentored municipal officials reached
- ✓ Employees from 3 municipal rural development units mentored/coached

EXPECTED RESULTS 2 Upgraded small enterprises and farmer businesses

✓ 40 small farmers/business upgrade (LDF) grantees out of 45 targeted to date

EXPECTED RESULTS 3: Territorial Employment Pacts operating at municipal level

- ✓ 487 TEP job opportunities created out of 595 targeted
- ✓ 216 rural micro-enterprises created/upgraded under TEP vs 210 targeted

GENDER AND NON-MAJORITY BENEFICIARIES

- ✓ 40% non-majority (LDF-led) beneficiary target reached so far under LDF, with 53.8% for TEP.
- ✓ 51.7% of women provided with TEP job opportunities vs 40% targeted
- ✓ 42.5% of women-led business supported through LDF business upgrade grants

#### 2.2.2. Timeliness to expected results achievements

Finding (F7): INTERDEV 2 is on track reaching objectives

The project progress reports together with latest updated results provided by the INTERDEV 2 team to the evaluation and consolidated with the feedback from stakeholder interviews and beneficiary visits confirms the timey implementation of project activities and delivery of results.

The Territorial Employment Pacts and Value Chain Analysis – key outputs to this phase – have also been developed for and delivered to the three municipalities.

The 2017 annual workplan has been implemented and the 2018 plan is also implemented smoothly. The second round of call for proposals of small rural business upgrades is completed and all of the planned activities have been implemented timely at the time this evaluation was conducted.

Additionally, there was no expected delays in the expected timely completion of activities planned for 2018 and no risk have been identified as preventing the timely completion of all INTERDEV 2 objectives.

#### 2.2.3. Identified challenges, proposed solutions and risk mitigation measures

## <u>Finding (F8):</u> No major challenges experienced owing to tried and tested implementation mechanisms and experienced team but areas to be consolidated in the future

INTERDEV 2 seems to have addressed potential implementation challenges by following and verifying the effects of its mechanisms. It has done so thoroughly also with external evaluators of the LDF to review the procedures of its call of proposal under LDF management, which has resulted in revising and clarifying the application package to make it more accessible to applicants but also to improve the likeliness of selecting successful beneficiaries.

The evaluation has found no short-term challenges or risk threating the implementation or the results of INTERDEV 2. The project team experience and field presence, the trustful partnership established with the municipalities, the implementation and monitoring mechanisms in place are assessed as the pillars of the risk prevention and mitigation system and the local perspectives gathered from field interviews have not pointed to any past or expected challenging to the implementation of INTERDEV 2 until its completion.

The evaluation has identified one potential future challenge that is not related to the current implementation and delivery of INTERDEV 2 outputs but that is calling for attention in the mid-term distance.

Given the low selling price of raspberries this year, INTERDEV visited beneficiaries have expressed the needs to have their own cold storage room capacity, so they have the possibility to keep their production until purchasing market prices fluctuate to their advantages. The drop in raspberry wholesale purchasing price that has affected this year's crop and revenues of small producers has revealed several weaknesses of small rural business and the limits of external assistance:

- Small producers have little to no influence on the selling price since they represented small and isolated clients to purchasing companies. Consequently, wholesale companies are dictating prices rather than the opposite.

- Most small producers are not able to afford the price of cold chamber to store their production and avoid the vulnerability of having to sell the crop immediately after it is harvested. With the purchase of larger cold storing facilities, INTERDEV has somehow remedied this problem. However, at the Municipal level, a territorial distribution of collection points would help producers enjoy a close and easy access to such points.

- Given their economic vulnerability and fear of price fluctuations, small rural business owners are more inclined to adopt attitudes of isolation rather than getting organised. INTERDEV 2 has started to show the way with shared cold chambers and the social enterprise model. However, the collective protection of micro-rural businesses needs to be taken to a higher level. The evaluation, in its recommendation section, is suggesting building a model reflecting this approach, with a further institutionalised LAG and the promotion of inclusive rural cooperatives.

- Diversification and further processing of production, as well as investing on healthy, environmentally sustainable production is becoming a growing priority. Supporting the organisation of small producers into more profitable and viable cooperative models, is a way of reducing exposure to external shocks such as price fluctuations. Increasing locally the value of the food product is a complementary necessity to go in this direction. Creating value chains can be achieved through further processing some of the local production. Investing in the quality of products, such as obtaining healthy food certification is another important step in that direction which can offer perspective for both local tourism but also export. Creating value of based on the quality of the production is also a relevant way to create financial incentives for farmers to further engage into environmentally friendly practices.

Thus, this section is only referring to this as a potential future challenge to be considered in the case of a possible future phase of INTERDEV. This is further analysed in the SUSTAINABILITY section.

#### 2.2.4. Identified possibilities for implementation improvement during INTERDEV 2'second half

## <u>Finding (F9):</u> Limited number of results indicators and data collection (gender, use of pesticides, ...)

Three years of INTERDEV 1 and one-and-a-half year of INTERDEV 2 implementation mean the intervention has had time to practice and learn from experience. The evaluation has found the project has adopted a continuous learning approach, with the use of previous evaluation recommendations or external consulting to review competitive grant beneficiary call for proposal procedures.

INTERDEV 2 is equipped with elaborated mechanisms and uses its presence within the municipalities of intervention to collect feedback from institutional partners and beneficiaries. The project does so regularly but mostly informally through the regular exchanges between MPSO and local actors and beneficiaries.

The evaluation has found little space to improve the implementation in terms of systems. However, it has identified an opportunity to improve how the project captures the results of its activities.

The evaluation team's exchanges with beneficiaries have brought details about several dimensions of INTERDEV's effects that provide information useful for a number of purposes. For instance, close to a third of interviewed small farmers have explained they have either stopped using any pesticide at all or taken some concrete steps in reducing the use of chemicals inputs in their cultivation. All of the small business visited, faced no difficulties in selling their products, thus showing a situation of stabilized income. This is with the exception of red fruits producers who have been affected by wholesale purchasing price drops this year. (see finding 8 from the previous section 2.2.3. Identified challenges, proposed solutions and risk mitigation measures for more details).

A majority of small businesses have also provided professional occupation within the family, while close to half, are planning to expand their activity.

While this is information known to both the INTERDEV 2 project team and municipal services (directorate for rural development for instance), it is not yet systematically recorded and quantified.

Developing indicators that capture the (economic, environmental, gender, social inclusion) performance of small businesses, is useful for a number of reasons. Besides, monitoring and reporting purpose, collecting such data contributes to reviewing small business performance, identify areas of weaknesses or potential that can inform the design of future interventions.

INTERDEV 2 could develop relevant performance indicators for its own reporting purposes and later on, assist the municipality to use such indicators and collect relevant data to inform those indicators. While some (technical...) limitations may affect the feasibility of collecting certain data, field monitoring visits or the widespread access to internet, may be used for data collection (provided that such data is verified and analysed by project team).

# <u>Finding (F10):</u> Implementing further some of the recommendations formulated in the value chain analysis studies conducted in each municipality

INTERDEV as a whole, has invested resources into value chain analysis in the three targeted municipalities: Dragash/Dragaš, Shtërpcë/Štrpce during Phase 1 and Viti/Vitina, during Phase 2. This has led to the production of documents which importance is multiple: It provides guidance about the strategic directions towards increasing locally the value into key economic sectors which potential is yet mostly untapped. Value chain analysis reports also suggests specific interventions supporting local inclusive economic development.

The evaluation suggests using the recommendations in support of tourism-related activities formulated in the reports produced for each municipality with two perspectives in mind:

- Use the recommendations as strategic directions (consultations with local actors will help decides if some of the recommendations have to be prioritised) to develop activities as a potential future intervention, as well as use the existing LAG, TEP approach with the joint involvement of local institutions.
- Use the documents as strategic guidance and consultation basis with local stakeholders to develop a future proposal based on agritourism inclusive economic development interventions (since agritourism is identify as a pillar of development in the three municipalities with a verified consensual agreement arising from most interviews held during the field visits).
- In the next round of small business grant scheme, consider targeting small business that are relevant to the suggested interventions. A similar approach could be considered with future TEP beneficiaries. (as an example, the foreseen adaptation of houses to welcome tourism accommodation could target houses, are located in areas with a touristic potential as per value chain analysis' recommendations).

#### 2.3. EFFICIENCY

This section evaluates the extent to which objectives have been achieved economically by the development intervention. Assesses the efficiency or utilization ratio of the resources used (comparison: resources applied vs results)

This section is answering the following initial Evaluation Matrix Questions:

3.1. Are the resources being used efficiently? How well have the various activities transformed the available resources into the intended results in terms of quantity, quality and timeliness? (in comparison to the plan)

3.2. Is the overall aid coordination properly ensured in the field of local economic and rural development in the target area?

3.3. Are the management and administrative arrangements sufficient to ensure efficient? implementation of the project?

| EVALUATION CRITERIA RATING SCALE: EFFICIENCY |  |                          |  |  |
|--|--|--------------------------|--|--|
| Scale  | Correspondence   | <b>Evaluation Rating</b> |  |  |
| 6  | Highly satisfactory (HS): no shortcomings x  |                          |  |  |
| 5  | Satisfactory (S): minor shortcomings   |                          |  |  |
| 4  | Moderately satisfactory (MS). Moderate shortcomings  |                          |  |  |
| 3<br>2                                       | Moderately unsatisfactory (MU): Significant shortcomings<br>Unsatisfactory (U): Major problems |                          |  |  |

| 1 | Highly unsatisfactory (HU): Severe problems. |  |
|---|--|--|

#### 2.3.1. Efficient use of resources to achieving results

<u>Finding (F11):</u> Efficient use of resources thanks to detailed, flexible, transparent, improved implementation mechanisms have

The evaluation has found INTERDEV 2 is making a highly efficient use of resources to achieving results.

A first evidence of this is given by the quantitative results reached thus far. With respectively 82% of TEP and 89% of small business grants target reached so far, half way into the three years of INTERDEV 2's project, another round of call for proposal and additional TEP beneficiaries planned to be assisted next year, the project will most likely exceed the numerical targets stated in the logical framework.

This appears to be the result of several factors:

- Human resources: Four of the five project team members have been on board with INTERDEV from the very beginning of INTERDEV in 2014. The fifth team member has come on board during the second phase of the project (when the municipality of Viti/Vitina was recruited and has been added to the project's second phase). With four and-a-half years of grassroot connection to the local project environments, the team has built great implementation practice, contextual knowledge and long-standing relations with key stakeholders, marked with trust. This is an invaluable asset which value is equal to the length of time spent jointly with local actors. It goes without saying that each of the team members has also brought along substantial previous international project implementation experience in Kosovo that is very relevant to INTERDEV.
- Proximity to the field and permanent presence: With a central office located outside of Prishtinë/Priština and closer to the southern municipalities of intervention, means that UNDP has decentralised project support services closer to the beneficiaries. The daily physical presence of the Municipal Project Support Officers and Project Management, brings the human dimension, so INTERDEV 2 does not just rely on elaborated systems but accompany and mentor stakeholders in fulfilling their obligations.
- Close interaction among key stakeholders: Small business owners and municipal institutions have expressed this strongly during interviews: INTERDEV 2 is making a lot of consultative space so that information goes bottom-up. The project communicates with beneficiaries through the regular field visits MPSOs are conducting during assessment, monitoring or counselling visits. INTERDEV 2 is also communicating to end-users via the institutions involved: this includes the employment office who is informing applicants about vocational training opportunities or when the Municipal Departments for Rural Development are paying monitoring visits to small rural business owners.

- Fine-tuned systems: The LAGs provide the most appropriate venues for local level • management and implementation of activities. The beneficiary selection mechanisms, are actually the results of several upgrades of previous systems, improved over time with internal consultation and also external consulting advice. The selection mechanisms are designed in a way it is clearly explained (clear explanation of assistance scheme objectives, eligibility criteria and decision process), accessible (publicly announced, with information session organised, guidance to prepare application forms is provided), participatory (ADA, UNDP, key local institutions, transparent, qualitative (thorough application form review and field assessment are conducted as part of the selection process) and independent (LDF manages the delivery of grants but is not involved in the beneficiary selection decision).
- Project duration: INTERDEV is in its second phase with each phase given three years to reach its objectives. Let us not forget that INTERDEV is tackling long-term transformative issues such as women empowerment, inclusive economic development, good local governance or environmental protection. Indeed, the project is not just about delivering grants but empowering local actors with the long-term responsibility and ownership of its own development. When adding both INTERDEV phases, the intervention will have ensured an accompaniment of six years to the social inclusion process in the targeted municipalities (three years in Viti/Vitina). This is not about a series of punctual intervention but six years of constant presence and support. Most of the interviewed actors have highlighted the importance of locally-based interventions versus one short interventions and the shortlasting impact the latter usually creates.

Overall, the evaluation has found that the well-balanced distribution of financial, human and time resources has been well adjusted to the implementation requirements of the project and this has contributed to the strong efficiency in the delivery of activities.

#### 2.3.2. Efficiency of aid coordination

#### Finding (F12): Dynamic Aid coordination contributes to implementation efficiency and creates added-value

This is one another added-value of enjoying permanent physical field presence: The INTERDEV Municipal Project Support Officers are best placed to become aware of events or external interventions at the municipal level. There are currently three other international organisations operating in the same sector as INTERDEV 2 in one of more among the Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina municipalities.

The evaluation team has had the opportunity to meet with those three organisations (Swiss Contact, Caritas Switzerland, Swiss Helvetas) and was able to appreciate the regular exchange and search for synergy opportunities among all international stakeholders. As an example, INTERDEV has referred some of its beneficiaries, so they could also benefit from technical training provided by other organisations. As other examples of effective and efficient coordination, INTERDEV 2 and Swiss Helvetas have joined forces to provide complementary assistance to TEP beneficiaries, with UNDP supplying irrigation and farm supporting systems while Swiss Helvetas, delivering seeds to raspberry Integrated Territorial Development 2 Project- Mid-Term Evaluation Report

farmers. Besides informal exchanges and regular contacts, the LAGs also hold regular coordination meetings. One important factor explaining coordination is effective is that all these three organisations are committed to the local level and the long-term development of those rural regions.

This local-level coordination may be downsized in the future as Swiss Helvetas 's S4RE (Skills for Rural Employment) project operating in the Sharr/Šar Mountains municipalities is closing though the evaluation understands the NGO is in the process of developing a new intervention in the same sector. Caritas Switzerland is also apparently broadening its geographical focus with – potentially – a projected country-wide intervention with a relocation of its offices in Prishtinë/Priština.

#### 2.3.3. Efficiency of management and administrative arrangements

#### Finding (F13): Management and administrative arrangements are key factors to efficiency

INTERDEV implementation relies on well-defined administrative procedures that do comply with UNDP standards rule and quality standards. Overall, the evaluation has found no issues with the administration being supportive to operations.

INTERDEV 2 is a small team of 5 members, located geographically within easy reach. The team uses the benefit of its small size to work on flexible and responsive manner. The project management is field-support oriented and the manager pays very regular visits to its colleagues but also stake -holder in the field. The evaluation has found this approach to be efficient and well-adjusted to the needs of the project; especially given that, the diversity and important number of activities requires flexibility, responsiveness and mentorship back-up.

## <u>Finding (F14):</u> INTERDEV 2's presence at municipal level ensures continuous monitoring of project relevance

INTERDEV's Municipal Project Support Officers, physical daily presence at the municipality is granting a direct access to local institutions and the priority challenges they are facing. MPSOs regular joint field visits with municipal staff (Director of Agriculture and Rural Development...) to project beneficiary and potential future beneficiary provides the most concrete approach to verifying the relevance of the projects outcomes and outputs.

During the field mission, the evaluation team has clearly heard from the unemployment office, mayors and their teams that INTERDEV 2 continues to tackle needs the municipality has also set as their priorities.

#### 2.4. IMPACT

This section reviews the extent to which the development intervention has contributed to reaching higher level development objectives. It assesses the immediate impact of the intervention in proportion to the overall situation of the target group or those affected. This section is answering the following initial Evaluation Matrix Questions:

2.4.1. Is there evidence of long lasting desired changes, in which aspects? How have the results from INTERDEV phase 1 contributed to longer-term changes?

2.4.2. How much does the project lead to a change of behaviours and motivations (of local governments) in terms of paying attention to marginalised and vulnerable population groups? Is there clear evidence for it?

2.4.3. Is the project appropriately reaching its target groups? Is the project serving the needs of vulnerable groups, i.e. women, youth, non-majority communities?

2.4.4. What effects are being realized in terms of social inclusion? Do vulnerable groups have the same possibilities to participate and benefit, or is there a clear difference?

2.4.5. How does the project contribute to (more) sustainable management of natural resources?

2.4.6. Is there evidence that institutional systems/mechanisms are in place which:

- 1) Support further capacity development at local level; and
- 2) Promote sustainable and inclusive development?

#### 2.4.1. Evidence of long lasting desired changes

#### Finding (F15): INTERDEV 1 has produced long-lasting changes, consolidated by INTERDEV 2

Though recognizing all of the long-lasting changes of INTERDEV 1 would require a more thorough introspective survey, the evaluation has indeed been able to identify long-lasting changes from the first phase.

All of the ten INTERDEV 1 beneficiaries visited in the field are still engaged in the activities they were or have engaged during the first phase of the intervention. They are all active today and have, in the worst case, have been able to maintain a steady level of income, while, most of them have been able to progressively expand the volume of their business and increase their income. While this is a limited sample, the accounts of municipal stakeholders and INTERDEV staff who are maintaining contacts with other beneficiaries from the first phase, are indicating that the vast majority of small businesses are still active today and continue to generate incomes for the households.

Regular income since INTERDEV 1 also means the whole household is able to provide for its essential needs and open the perspective for some to have their children to pursue higher education studies.

INTERDEV has also been able to identify beneficiaries with a potential to become stronger economic actors by following their progression and supporting them during the second phase.

The intervention has generated various levels of impacts on employment. As described in the above paragraphs, TEP support have helped highly vulnerable unemployed out of situation of acute social Integrated Territorial Development 2 Project- Mid-Term Evaluation Report 39 exclusion in addition to securing a modest but steady income. Even though the nature of this form of employment does not guarantee a secured and life-time solution, it is an essential step that prevents against severe poverty and provides a basis to build small business perspectives.

Within TEP beneficiaries, important nuances are existing, depending on the type of the professional activities, the psychology of the owners as well besides many other factors. Indeed, a number of originally very modest micro-activities in size, have proven to develop into solid small businesses, now "boxing" in the higher category.

As an illustration of the project's longer-term impact on business which were originally of a modest size, the evaluation visited a former TEP 1 beneficiary who has received a business upgrade grant under INTERDEV 2. He is a pig-breeder who had been performing very strongly during the first phase and was able to expand his business on his own. He later developed a proper business expansion plan to open a butchery.

The advantages of accompanying such businesses<sup>11</sup> along their progression are several:

- ✓ There is a reduced risk of business failure for a beneficiary who has already proven successful
- ✓ There is multiplier effect in term of job creations as business expansion means the owner is planning to hire at least 2 more workers, thus providing two long-term jobs in a stable economic activity
- ✓ Supporting local business with a strong potential means the presence of local resilient economic actors with a social inclusion awareness (most of the expanding business are hiring individuals from the vulnerable groups targeted by the project).

There is obviously a wider range of lasting effects that cannot be quantified within the context of this evaluation or solely attributed to the phase 1 of INTERDEV but field interviews and visits have gathered other indicators of changes the project has induced:

- ✓ Increase number of professionally active women with enhanced responsibilities and improved consideration
- ✓ Improved environmental cultivation practices (reduced use of pesticides and increased use of natural inputs in the cultivation of red fruits)
- ✓ Improved and increase of interaction between marginalised communities and local institutions (vulnerable job seekers registering and consulting employment offices, small rural businesses using counselling of Rural Development Units)

<sup>&</sup>lt;sup>11</sup> This is based on several TEP beneficiary situations as well as dozens of other very similar cases visited in similar projects in Kosovo

Increase number of small rural business that have either applied or obtained MAFRD small grants

#### 2.4.2. Observation of behaviour and motivation changes towards vulnerable groups

<u>Finding (F16):</u> Local governments show an increased awareness and commitment towards social inclusion

The interviews held with mayors, deputy mayors, heads of employment office, head of the directorate for Agriculture and Rural Development, Municipal Gender officers have touched upon the consideration and commitments of local institutions towards social inclusion.

All of the interviewees have explained that INTERDEV (1 and 2) has provided an opportunity and the financial resources for their institutions to work closely together and bring concrete solutions to long-term job seekers. The economic performance achieved by the small rural business beneficiaries has also contributed to change favourably beneficiary's self-esteem and confidence as well as the external perception. From inactive marginalized social cases, the self-employed business owners are seen as economic actors with a great determination and demonstration of capacities.

The municipalities have praised and have decided to continue using the Territorial Employment Pact approach to tackle unemployment in the future.

Though it is difficult to measure exactly the extent to which local authorities are committed to support social inclusion, the evaluation has gathered several indicators of their involvement in the section (2.5.4 Ownership transfer to local stakeholders.).

#### 2.4.3. Project outreach to targeted groups

# <u>Finding (F17):</u> Thorough beneficiary selection mechanisms and field presence ensure proper reach out to vulnerable groups

As explained in the EFFECTIVENESS section of this report, INTERDEV 2 is equipped with an elaborated beneficiary outreach and selection process that ensures applicants are exclusively from the various vulnerable categories target by the project: long-term unemployed youth and women, non-majority communities.

In its fifth year of implementation, INTERDEV has gained a strong reputation and a very high level of awareness among the target communities. Additionally, the word of mouth including in rural remote areas is efficiently circulating among the vulnerable populations. This matter of fact has been confirmed by all the interviewed beneficiaries.

The opportunities offered through INTERDEV are made public via the municipalities' website and are also posted on municipal buildings, while local institutions, such as the employment office is relaying training, employment or self-employment opportunities to the unemployed on this list.

#### 2.4.4. Project effects on social inclusion, vulnerable groups participation and benefits

<u>Finding (F18):</u> Progress on the social inclusion situation as a result of the project addressing both the social and economic obstacles

INTERDEV 2 is providing tailored solutions to different population groups that are experiencing various degree of social and economic exclusion. INTERDEV 2 has established the following specific target groups that are characterized by the nature of the barriers its socio-economic inclusion:

- Youth's barriers to social inclusion: Low or no professional skills, no professional certificate or vocational training relevant to labour market needs, disconnect from public services (not registered at employment office), lack of or no access to relevant information (job opportunities, vocational training opportunities....), lack of or no access to resources (start up capital), little to no professional practice/experience limiting factor to access employment
- Women: Discrimination/limited access to employment because of traditional perception of women's position in the active labour market, restricted access to property rights as a barrier to run own agricultural business, other discriminating factors (gender-based domestic violence, limited financial independence)
- Long-term unemployed: Low or no professional skills, no professional certificate or vocational training relevant to labour market needs, disconnect from public services (not registered at employment office), lack of or no access to relevant information (job opportunities, vocational training opportunities....), lack of or no access to resources (start up capital), no business training or business development support, limited access to markets
- Small rural business starters/small business owners: not meeting conditions to state subsidies eligibility, limited income and capacity to invest in business expansion, lack of resources, knowledge and capacity to increase production value and quality
- Small business starters/small business owners: Lack of technical knowledge or access to technical knowledge, no lack of or no access to resources (start-up capital), Low or no professional skills, no professional certificate or vocational training relevant to labour market needs
- Cultural, linguistic, physical-based discrimination: Besides gender-based discrimination mostly affecting women, non-majority ethnic communities such as Roma or disabled job seekers face discrimination when accessing employment or accessing active labour measures.
- Barriers common to all groups: Limited capacity and awareness of local institutions in supporting job seekers in finding employment and establishing/stabilizing small businesses, economic vulnerability with income levels below Kosovo average

INTERDEV 2 has developed an array of activities that specifically addresses the above-listed barriers to produce the following results:

- Getting long-term socially excluded and economically vulnerable individuals into an active and productive life
- Improving livelihoods and business perspectives of small rural business by providing equipment, counselling and connection to business opportunities
- Formalising the work, increasing livelihoods and increasing labour protection of women engaged in informal work through social enterprises
- Unlocking the full economic (increase, diversify production, access new markets and customers) and social (create jobs for the socially excluded) potential of stable small businesses by expanding its professional capacities
- Promoting territorial potential and value
- Local institutions are providing improved counselling to small business owners and are assisting more individuals
- The coordinated efforts of local actors are contributing to an effective social inclusion of long-term unemployment, by addressing all the barriers to their inclusion
- Empowering relevant local actors to coordinate efforts by delivering complementary services to vulnerable job seekers.

The project has applied social standards used by UNDP to the INTERDEV 2 project: Social and Environmental Standards (SES) and Accountability Mechanism as a key element of quality assurance. Social and Environmental Standards require that all UNDP Programmes and Projects enhance positive social and environmental opportunities and benefits as well as ensure that adverse social and environmental risks and impacts are avoided, minimized, and mitigated.

Social standards indicators have been applied in all of the beneficiary selection mechanisms in the open call for grants to beneficiaries. The regular monitoring visits performed by the MPSO staff have included ensuring the selected beneficiaries were meeting the eligibility criteria.

One major effect of the project is that it reconciles the social and economic spheres by fully integrating both dimensions, thus proving that those considered or self-considering they had lost their professional value, were able to regain dignity, self-confidence but also motivation and determination in becoming professionally successful in the activities INTERDEV 2 has helped them engage in.

The combination of the assistance components (trainings, professional equipment), has helped to respond to the pressing need of making a regular income or lifting the level of livelihood to afford the essential household expenses. As an illustration among other similar cases, the evaluation team interviewed a TEP beneficiary who had just started working as a hair-dresser was explaining she had not been working for the past twelve years, married to a jobless husband who had been moving to smaller apartment with their child as their resources has been critically low.

The counselling provided by either local institutions or the Municipal Project Support Officer also play a mentorship role, a key leverage to small business owners or starters who are in need of a Integrated Territorial Development 2 Project- Mid-Term Evaluation Report

combination of technical and psychological accompaniment. The field interviews have also allowed to understand that there is also a great deal of exchange among TEP beneficiaries, but also non-beneficiaries who are engaged in the same professional sector.

No one more than an unemployed youth, women who has been out of the job market, is aware of how rare opportunities are, such as the ones provided through INTERDEV 2. To the say of TEP or LDF-managed grant beneficiaries, these have meant much more than a job, but a reconstruction of their lives. The energy gathered through run its own businesses also means that selected vulnerable women and men have taken a pro-active role in the process of their own social inclusion.

More discussions with TEP beneficiaries have also informed the evaluation of the emulating role within their communities as they have become a successful and concrete example of self-employment to their environment. Entrepreneurship has gained interest at the local community level, as the success of self-employment as an alternative to a scarce job market has stimulated other job seekers. Indeed, a number of new grant applicants have been emulated by INTERDEV 1 and 2 grantees in their areas. Some interviewed beneficiaries have also explained that there have been cases where some business have started-up without waiting for grant assistance.

#### 2.4.5. Impact on sustainable management of natural resources

#### Finding (F19): Positive impact on natural resources management worth measuring

Several of the interviews held with small rural business owners have revealed that some of them have taken concrete steps towards reducing their impact on the environment. This situation is not marginal as more than a good third of interviewees have explained they have already taken action in that direction. Additionally, another number of farmers have indicated they are intending to change their cultivation or breeding practice. This is for instance the case for a chicken-egg producer who is exclusively using natural food to feed its animals. He says though he is not holding any organic certification for its production, he has made this natural feeding choice becomes his customers care about the quality of its production.

The reasons (gathered through interviews) encouraging farmers to make efforts towards protecting the environment are multiple and vary on a case-by-case basis:

- Awareness of damaging consequences of the use of chemicals/pesticides to the environment and health: awareness raised as a result of INTERDEV sensitization sessions or self-awareness

- Change of crop and Interest in increasing the value of production: this is the case for some the price drop of raspberries and who have planted blueberries for instance

- Strong interest for organic farming as compared to classic farming for specific production (eggs, honey or natural plants)

- Strong customers interest for preserving the quality and typicity of product ( cheese from the Sharri region)

It is worth noting that the awareness about environment protection and its connection to health and long-term economic development is raising.

# **2.4.6.** Evidence of institutional capacity development mechanisms supporting sustainable and inclusive development

## <u>Finding (F20)</u>: Institutional initiatives supporting sustainable and inclusive development are effective but need to be further pursued

Territorial Employment Pacts and Local Action Group have proven effective modalities as they have successfully involving key local stakeholders to take an active role in supporting the implementation of INTERDEV 2 activities.

UNDP has previously introduced the TEP model in other municipalities in Kosovo<sup>12</sup> (e.g. Fushë Kosovë/Kosovo Polje, Obiliq/Obilić, and recently in Gjakovë/Djakovica), and the approach has already proven successful as it put local institutions in the front line of implementation of providing employment solutions to the unemployed from vulnerable communities. INTERDEV 1 and 2 has confirmed this approach has also been effective in the three targeted municipalities as the developed TEPs would not have brought results of the first phase and those reached at mid-term without institutions taking a pro-active role in the process.

Similarly, INTERDEV 2 has used and was to rely on LAG as a true partner to supervise, coordination, support and report on project activities.

The further sustainability of the above mechanisms over the longer-term remains subject to two conditions: Will the LAG continue to act as central stakeholder after internally-funded projects are completed? And is the process guiding TEP sufficiently institutionalised so that future similar employment-creation initiatives will continue to use the TEP model in the future?

#### 2.5. SUSTAINABILITY

This section identifies to which extent the project positive effects or impacts are sustainable. Indicates how the sustainability or permanence of the intervention and its effects are to be assessed. This section is answering the following Evaluation Questions:

2.5.1. How is the project stimulating sustainability of its results and impacts (i.e. strengthened capacities, continuity of use of knowledge, improved practices, etc.)?

2.5.2. How have the results of INTERDEV phase 1 been sustainable? How does the two phases of INTERDEV link and what are the changes between the two phases?

2.5.3. Are there any jeopardizing aspects that have not been considered or abated by the project actions? In case of sustainability risks, were sufficient mitigation measures proposed?

 $<sup>^{12}</sup>$  Detailed reports on previous TEP interventions and results are available on UNDP Kosovo website as well as project broch ures and reports

2.5.4. Is ownership of the actions and impact being transferred to the corresponding stakeholders?

| EVALUATION CRITERIA RATING SCALE: SUSTAINABILITY |  |                          |  |
|--|--|--------------------------|--|
| Scale  | Correspondence   | <b>Evaluation Rating</b> |  |
| 6  | Highly satisfactory (HS): no shortcomings                |                          |  |
| 5  | Satisfactory (S): minor shortcomings x                   |                          |  |
| 4  | Moderately satisfactory (MS). Moderate shortcomings      |                          |  |
| 3  | Moderately unsatisfactory (MU): Significant shortcomings |                          |  |
| 2  | Unsatisfactory (U): Major problems                       |                          |  |
| 1  | Highly unsatisfactory (HU): Severe problems.             |                          |  |

#### 2.5.1 Sustainability of project results and impacts

#### Finding (F21): A permanent field presence significantly enhancing sustainability

INTERDEV 2 is stimulating the sustainability of its results in several ways:

- <u>A mentorship presence</u>: The Municipal Project Support Officer is central to instigating sustainability. The officer has coaching/counselling role to municipal authorities, local institutions. Through daily interaction and concrete situation, the MPSO ensures the municipality and its units (Gender, Rural development) does not only acquire new knowledge but learn from practice through joint field monitoring and advisory visits to beneficiaries. The physical presence over an extended period of time is what makes the difference with one-off interventions only delivering technical knowledge. This is also what contributes to ensuring sustainability of practices as the knowledge and the reflexion, is practiced and experienced jointly with local actors. Lessons learned from capacity development context, indicate that it is the mentorship role and extended period that ensures capacities are acquired durably and contextually; versus when knowledge is transferred punctually only.
- <u>A local entity</u>: With the LAG being granted a proper role into project coordination, supervision of implementation and also in decision-making (with the LAG members sitting at the project board but also a beneficiary selection committees), INTERDEV 2 has effectively transferred ownership to a body existing at the local level. The challenge in the future will consist in providing the means and the status for the LAG to pursue an active and leading role in inclusive rural development interventions. It will be necessary for the LAG to develop its own strategy, to remain an engine in this field at the municipal level.
- <u>A multi-stakeholder process rooted in the territory</u>: The Territorial Employment Pacts have demonstrated that the commitment and the capacities of local institutions is much greater when they are actors of the process leading to define territorial priorities than when they are merely consulted to designate grant beneficiaries.

#### 2.5.2 Sustainability of INTERDEV 1 results. Links and changes between both phases

## <u>Finding (F22):</u> INTERDEV 1 provides sustainable results, upon which INTERDEV 2 has improved and indicates potential to scale up sustainability

The links between the first and the second INTERDEV phases are strong in that INTERDEV 2 has been designed taking into account the lessons learned from phase 1, from instance, moving from a strictly training and expertise-based capacity-building to a functional and mentorship support focusing a more results-focus Directorates for Agriculture and Rural Development.

By keeping the same municipalities of Dragash/Dragaš and Shtërpcë/Štrpce while adding another one, Viti/Vitina, sharing similar characteristics with the previous two, INTERDEV 2 has built on INTERDEV 1 to strengthen the model of intervention (by taking some of the phase 1 beneficiaries to a further level but also targeting rural business to the upper category). INTERDEV 2 has also stimulated inter-municipal cooperation to transfer some of the phase 1 experience to the municipality of Viti/Vitina. This has already proven successful as this municipality has caught up to speed with the other two co-municipal beneficiaries.

#### 2.5.3 Identified sustainability risks

#### Finding (F23): Low sustainability risks in the short-term but mid-term risks to be integrated

The evaluation has identified two categories of risks, likely to affect differently sustain a bility in the short-term and mid to longer-term:

- The first sustainability risks relate to the current capacities of the local level institutions and the mechanisms established by INTERDEV 1 and 2. The project results to date, the degree commitments demonstrated from municipalities, the effective functioning of LAG, and local stakeholders' participation to TEP, which are indicators of their improved capacities. With municipal authorities confirming INTERDEV's priorities are their priorities and that they have adopted the project modalities (TEP, LAG...), the aspects of ownership, demonstrated capacities and commitment are giving a substantial level of confidence that local level institutions and the project mechanisms in place, will ensure local economic development is sustained and socially inclusive. As the municipal authorities pointed out clearly, they remain highly dependent on international donor funded projects. INTERDEV and similar interventions are strengthening, activating and pushing forward the institutionalisation of bodies such as LAGs. However, the future of LAG remains to some extent related to international projects.
- The second sustainability risk, relates to the results of the employment and economic dynamization of vulnerable communities. While it has increased the resilience of the selfemployed small rural business and transformed small companies into stronger economic actors, many elements are indicating that the potential to further develop an inclusive economy is real. The longer-term risk relating to the small economic actors is that, if they are

not empowered to create more value but remain at the substantial farming level, they will not be in a position to create a strong local economy and establish a balanced rural economic model that creates wealth from its natural resource while preserving it and where the value is generated locally by small businesses organised in a cooperative manner.

The value chain analysis is showing the way to increasing the sustainability of rural business by encouraging local transformation and local sell of products.

As a very basic example illustrating the potential creation of additional value, the general situation is characterised by small farmers oriented toward selling their raw production at a less profitable price and when engaging in basic food processing. By providing equipment to transform agricultural products, INTERDEV has encouraged the re-orientation of farming creating more profit locally.

The evaluation did ask INTERDEV 2 beneficiaries to provide selling prices of their raw production compared to when sold processed. Though this is not a proper survey, this is indicative of the fact the profit margin increases as food products are processed. It is also worth mentioning that the processed products are sold un-branded therefore leaving the potential for a higher price after branding and marketing.

| Product    | Raw product selling price               | Processed selling price                      |
|------------|---|--|
| Raspberry  | Raspberry fruit (1kg): 80 to 90 cts (in | Raspberry juice (1 litre-: 5 EUR): Circa 3-4 |
|            | 2018)                                   | kg per litre                                 |
| Fresh Milk | Collection point: 30 cts/litre          | Soft cheese: 4 EUR                           |
|            | Sold locally: 50 cts                    | Hard cheese: 5 EUR                           |
|            |   | Sharr/Šar cheese: 7-8 EUR                    |
|            |   | Circa 7-8 litre of milk for a 1 kg of cheese |

Comparison between raw production selling prices and processed food production prices:

While INTERDEV 2 has shown the way to move from substantial to valuable farming, there is now a need to structure and organise this appreciative rural economy. To this external review, this need appears as a priority for the further development of the local economy and an objective for a future phase of INTERDEV to support. Indeed, an economy based on locally-processed food with distribution and selling channels to a wider and larger (local and regional) market will require a further intervention as proposed in the recommendation section of this report, in relation to agritourism development.

#### 2.5.4 Ownership transfer to local stakeholders

#### Finding (F24): There is a growing ownership of INTERDEV 2 impacts and actions

INTERDEV 2 has also been characterized with a growing ownership of the project activities by the municipalities and local institutions involved. Though, measuring ownership in quantitative terms is

challenging and complex, the evaluations has identified elements indicating a strong commitment to achieving INTERDEV 2 objectives:

- The mayors of the three municipalities interviewed during the evaluation have expressed very strong support and appreciation of the second phase of INTERDEV 2. They consider the project as completely supportive of the priorities of their municipality and have praised the grants scheme as the most efficient of all programmes in their territories.

- Even though it is limited in absolute value, the financial contribution of municipalities to INTERDEV 2 are significant in that their resources for projects are very limited.

- Municipalities have taken concrete steps toward the cross-cutting issues tackled by INTERDEV 2. For instance, the municipality of Shtërpcë/Štrpce has developed a plan for energy efficiency and waste management. It is monitoring the use of illegal waste disposal and has launched a smartphone application for citizens to report situation of criminal acts of pollution.

- The local institutions (Employment Office, Gender Officer, Directorate for Agriculture and Rural Development) have fully involved in the activities (field monitoring and assistance to beneficiaries, facilitation of beneficiaries into the selection and arrangement of vocational training, support to professional placement....)

- The LAG and its members have fully and pro-actively assumed their roles in coordinating and facilitating the implementation of INTERDEV 2 activities.

In the meantime, municipal authorities are aware of the fact that they are still in need of improving capacity, including it terms of being able to provide technical assistance, especially, when looking at the strategic potential of the future economic development. Indeed, organic farming, rural to urism and other professional sectors identified in the value chain analysis documents are requiring competencies, including organic agriculture management, rural cooperatives that is not yet fully existing.

#### 2.6 STAKEHOLDER AND PARTNERSHIP STRATEGY

This section assesses the stakeholder and partnership strategy of the project

This section is answering the following initial Evaluation Matrix Questions:

2.2.1. How the project has implemented the commitments to promote the local ownership, alignment, harmonization, management for development results and mutual accountability?

| RATING SCALE: STAKEHOLDER AND PARTNERSHIP STRATEGY |   |  |  |
|--|---|--|--|
| Scale  | Scale Correspondence Evaluation Ratin         |  |  |
| 6  | 6 Highly satisfactory (HS): no shortcomings x |  |  |
| 5  | Satisfactory (S): minor shortcomings          |  |  |

| 4 | Moderately satisfactory (MS). Moderate shortcomings      |  |  |  |
|---|--|--|--|--|
| 3 | Moderately unsatisfactory (MU): Significant shortcomings |  |  |  |
| 2 | Unsatisfactory (U): Major problems                       |  |  |  |
| 1 | Highly unsatisfactory (HU): Severe problems.             |  |  |  |

#### Finding (F25): INTERDEV 2 is empowering local institutions though it is a continued process

INTERDEV is not just about establishing formal partnerships with the municipalities just for the sake of ticking the box of this conditionality of external assistance. Rather, INTERDEV's strategy has focused on establishing a cooperative platform (TEP) where the local institutions and relevant stakeholders are willing to participate, and commit based on the awareness that they are part of the solution.

INTERDEV has also reactivated an existing body – LAG – by granting it a concrete role and responsibility in the implementation of the project.

Finally, by placing a full-time staff within each municipality building, the project has expressed its intention to get physically – versus "on the paper" - engaged in a partnership with Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina.

The outcome of this approach is that local institutions have been the drivers and implementors of INTERDEV. LAGs have mobilized local actors, and each actor; for instance, the employment offices in assisted beneficiaries of TEP interventions to identify their training needs; has been concretely engaged in the implementation.

#### 2.7 EVALUATION

This section is answering the following initial Evaluation Matrix Questions:

2.7.1. Are intended results (outputs, outcomes) adequately defined, appropriate and stated in measurable terms, and are the results verifiable?

| RATING SCALE: EVALUATION |  |                          |  |
|--------------------------|--|--------------------------|--|
| Scale                    | Correspondence   | <b>Evaluation Rating</b> |  |
| 6                        | Highly satisfactory (HS): no shortcomings                | х                        |  |
| 5                        | Satisfactory (S): minor shortcomings                     |                          |  |
| 4                        | Moderately satisfactory (MS). Moderate shortcomings      |                          |  |
| 3                        | Moderately unsatisfactory (MU): Significant shortcomings |                          |  |
| 2                        | Unsatisfactory (U): Major problems                       |                          |  |
| 1                        | Highly unsatisfactory (HU): Severe problems.             |                          |  |

#### Finding (F26): Results are well defined, appropriate, measurable and verifiable

The evaluation has found the results to be defined, appropriate, measurable and verifiable to a high degree.

The three years of INTERDEV Phase 1 field presence has provided a privileged period to consult local actors, review needs and shape the expects results for the second phase, using the participatory mechanisms established during the first phase.

The results are thoroughly defined with the proposed intervention clearly intending to address grassroot needs of the target populations, the challenges of local governments, the obstacles to socio-economic inclusion while ensuring the results are clearly coherent and supportive of the policy, strategy, and programme dimensions at local, national (Kosovo), regional (Western Balkans EU accession sectoral priorities), supra-regional (EU-level strategies) and global level (SDGs).

The results are clearly defined for each of the component through accurately formulated activities. For each activity quantitative targets are established along with relevant indicators, allowing for measurement and verification of those results.

However, when it comes to measuring results, activities tackling capacities are to be distinguished because of its intrinsic nature and the challenge of measuring it. The visited businesses that have received grants have shown strongly encouraging results in terms of business performance or perspectives. Developing a wide range of indicators (such as income level, income frequency, profit....) that reflect on business performance would definitely be of great value for INTERDEV 2 to evaluate this dimension using such illustrative elements.

#### 2.8 THEORY OF CHANGE & OUTCOME MAP

This section assesses the theory of change of the project.

This section is answering the following initial Evaluation Matrix Questions:

2.8.1. Is the Theory of Change or project logic feasible and is it realistic? Have assumptions, factors and risks been sufficiently taken into consideration?

| RATING SCALE: THEORY OF CHANGE & OUTCOME MAP |  |                          |  |
|--|--|--------------------------|--|
| Scale  | Correspondence   | <b>Evaluation Rating</b> |  |
| 6  | Highly satisfactory (HS): no shortcomings                | x                        |  |
| 5  | Satisfactory (S): minor shortcomings                     |                          |  |
| 4  | Moderately satisfactory (MS). Moderate shortcomings      |                          |  |
| 3  | Moderately unsatisfactory (MU): Significant shortcomings |                          |  |
| 2  | Unsatisfactory (U): Major problems                       |                          |  |
| 1  | Highly unsatisfactory (HU): Severe problems.             |                          |  |

## <u>Finding (F27):</u> The theory of change is realistic though longer-term assumptions needs to be formulated

INTERDEV has produced very concrete and visible changes in the municipality improved support to rural development and introducing a socially inclusive economy that has benefited with hundreds of improved livelihoods to women, the youth, ethnic minorities and other vulnerable groups.

Through its engagement and participation to a number of project events and activities, local institutions have effectively demonstrated a continued commitment and improved capacities.

In the meantime, the evaluation has found it challenging to measure the extent to which local institutions are now fully equipped to take inclusive economic growth to a higher level and create the conditions to create economic value locally. The value chain analysis are strong and relevant indicators of the direction the continuation of INTERDEV should take.

INTERDEV 1 and 2 have contributed to advancing the situation of social inclusion, employment, stimulate the local economy and support institutions in better promoting it territories and assisting the most modest economic actors. This external review has also revealed the need to better organise the assets created by the projects. This means supporting the organisation of the economic actors through strong models, such as rural cooperatives, so as to increase the protection, economic efficiency of small rural farmers (sharing productive capital to reduce production costs, increase productive units size through cooperative organisations). This also implies the continued commitment of the local institutions as well as empowering specifically the local actor that will be driving further the coordination of envisaged activities (see the recommendations related to implementing Value Chain Analysis recommendations). The LAG appears to be the most appropriate actors to fill this role. However, since its existence has been mainly related to project activities to date, it needs to be supported to become a permanent and stable institution.

#### 2.9 GENDER

This section reviews the gender dimension of the project.

This section is answering the following initial Evaluation Matrix Questions:

2.9.1. What effects are being realized in terms of gender equality and women's empowerment?

2.9.2. Have women and men been distinguished in terms of participation and benefits?

| EVALUATION CRITERIA RATING SCALE: GENDER |  |  |  |
|--|--|--|--|
| Scale                                    | Correspondence Evaluation                                |  |  |
| 6  | Highly satisfactory (HS): no shortcomings x              |  |  |
| 5  | Satisfactory (S): minor shortcomings                     |  |  |
| 4  | Moderately satisfactory (MS). Moderate shortcomings      |  |  |
| 3  | Moderately unsatisfactory (MU): Significant shortcomings |  |  |

| 2 | Unsatisfactory (U): Major problems           |  |
|---|--|--|
| 1 | Highly unsatisfactory (HU): Severe problems. |  |

## <u>Finding (F28):</u> INTERDEV 2 has enabled unemployed women to increase their financial autonomy and professional independence

Gender is strongly mainstreamed across all activities of INTERDEV 2 and this dimension is back with a substantial approach and clear indicators. Territorial Employment Pacts have integrated exclusion challenges faced by women and provide empowering labour solutions to the majority of employment opportunities to females. The Social Enterprise model, recently implemented, responds to the challenges of women working informally, precarious conditions, while offering perspectives with expected increase in the income generation, improvement of their overall projection and increase their professional perspectives for growth, through work organisation, production diversification and better market positioning. Independent Association of Women from Sevcë/Sevce, is a concrete example of all the potential a social enterprise can bring to change women's working and living conditions.

INTERDEV 2 has outperformed its gender equality objective with 51.7% of women being empowered through an array of services and assistance versus the 40% originally targeted under the TEP, while for the LDF component the project has so far reached 42.5% versus the target of 35% women-led businesses.

The project has made a significant commitment to including women in a rather conservative rural environment where unemployment is reaching peaks among females and where traditional economic activities are still pictured as typical manly jobs.

INTERDEV 2 has made a breakthrough by involving 219 women so far through training, selfemployment, skills upgrading or social enterprises creation schemes. The self-employed female beneficiaries interviewed are all performing strongly economically. Women are involved in a diversity of activities, from hairdressing, tailoring, or agriculture and have clearly expressed that, besides taking pride in generating their own income, they are experiencing genuine respect for their professional performance and feel rewarded by the respect they have earned.

Self-employment for women in situation of social and economic vulnerability does not mean accessing to secured long-term employment and comfortable salaries, especially considering that most of employment in rural Kosovo among vulnerable communities is informal, fragile and instable. However, the TEP scheme has made a significant contribution to the female beneficiaries the project has assisted. While the income is often below or just about covering essential needs, the businesses visited were all ensuring regular profit, a minimum and growing number of customers. To the say of interviewed women, they are the one in control of the income as well as the household budget.

As an illustration of empowerment, the evaluation has visited a woman, formerly unemployed who had been unsuccessfully seeking for employment over a long period of time. She was a successful

applicant to INTERDEV's self-employment TEP grants and had engaged into tailoring. She is now managing her own business and is currently fully booked as customers are returning to bring more orders. While the income generated goes to cover essential household expenses, she explains that she is the one truly managing her small business.

#### Finding (F29): Social Enterprise provides more than just employment to women

While rural cooperatives are relevant models to those rural actors who are small in size, but already established economically, the social enterprise model appears to be well adjusted to those formally unemployed, but active and experiencing a higher degree of vulnerability. The case of the Independent Association of Women from Sevcë/Sevce (Shtërpcë/Štrpce Municipality) – NUŽS, supported by INTERDEV 2 to move from informal work to organised labour under the Social Enterprise form, shows how this model of entrepreneurial organisation can transform the situation of the women it employs. The project has helped applying the social enterprise model to this local women NGO and did provide equipment to increase and diversify its production. This approach has multiple benefits; not only does it increase; stabilises income but it also significantly raises the protection of women.

Prior to gathering under the social enterprise umbrella, participating women were experiencing a high degree of vulnerability related to physically demanding activities with a potential health risk associated to physically demanding work, combined with low incomes and an exposure to the risks correlated to informal work (irregular work, income, absence of legal protection...). The Social Enterprise model as set up by INTERDEV 2 is about to be of the following benefits:

- ✓ With the same amount of work, generate a better and more stable income thanks to the processing, marketing of their work at a higher value
- ✓ Getting a recognition of their value as individuals through the value of their products versus being retributed only for their physical work prior to joining the social enterprise
- ✓ A perspective of economic growth and with the diversification (and potential) of production, and income increase with stronger marketing and better access to markets.
- ✓ Enjoy the benefits from the social, legal, economic protection and related offered by the formal frame offered by an NGO status

#### 3. LESSONS LEARNED AND BEST PRACTICES

#### 3.1 LESSONS LEARNED

INTERDEV 2 has paved the way to establishing long-term sustainability as it has contributed to improving the conditions to the core potential of the target municipal territories.

<u>Small businesses are more vulnerable when isolated and when not transforming their production:</u>

This is the case of raspberry producers who, when operating in isolation, are rarely able to afford their own storage capacity, have little control over their selling prices and have limited capacity to investing into their production tool so they can experience economic growth.

• <u>The right actors at the right place at the right time:</u>

Mountainous municipalities belong to the South and East region of Kosovo have a rare but highly relevant opportunity not to be missed: the region is the focus of at least five international actor that share the following features, matching closely the region's needs:

- ✓ A commitment over the long-term:
- ✓ A vision (of sustainable rural development) for geographic areas with a rich natural resources potential
- ✓ Field presence and trustful partnership with local governments
- ✓ Technical expertise, capacity and experience (organic production development, value chain ...)
- ✓ Values (social inclusion, gender equality, protection of environment)
- ✓ Interest and capacity of mobilizing resources
- ✓ Interest and capacity to leverage more adequate commitment from Kosovo central government

After meeting with those stakeholders (ADA, Swiss Cooperation, UNDP, Caritas Switzerland, Swiss Helvetas, Swiss Contact), the evaluation believes that altogether combined, the above-listed characteristics represent great assets that can significantly increase the impact of future interventions.

• INTERDEV is delivering on results and produces an impact since INTERDEV 1.

While the project is producing key figures about its achievements, it could promote its impact by developing indicators on its qualitative achievements. (number of rural business that are still existing, number of business that have expanded and created jobs, number of business that have taken concrete measures to reduce impact on environment)

• Agriculture and food production oriented toward rural tourism:

Agritourism emerges as a relevant model for sustainable and inclusive development for the municipalities offering strong natural resources and landscapes characteristics, such as Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina.

A development model integrating agritourism as a pillar of its local economy is offering a wider perspective on the natural resources: More than just focusing on the transformation of natural resources into products bound to leave the territory, it aims at attracting visitors to enjoy locally *Integrated Territorial Development 2 Project– Mid-Terr Evaluation Report* 55

more than just food products, but its natural environment. If properly organised (rural cooperatives, social enterprises) and managed (Local Action Group, other local actors), such a model can bring a number of benefits:

- ⇒ It contributes to the protection of the environment while preserving the natural resources used to create wealth locally. Agritourism creates a strong incentive to environmental protection by establishing a direct link between natural resources management and wealth creation.
- ⇒ It offers a much more opportunities than merely production through a diverse and almost unlimited number of services (tourism, sports, culture, craft....) and a strong potential for job creation and decent work conditions, provided the rural cooperative and social enterprises are implementing minimum decent work standards (subsistence export-oriented farming versus services and valuation of resources)
- ⇒ It helps revive traditional, endangered agricultural production, know-how and cultural tradition through income-generating activities.
- ⇒ It offers strong economic potential by favouring locally created value versus value created outside the territory.
- ⇒ It favours inclusive economic growth where value created locally also enable jobs to be created locally and accessible to resident vulnerable communities, provided those are supported with skill development.
- ⇒ It provides a well-adapted environment to rural cooperative models as the mutualisation of equipment and resources provides an answer to the vulnerability of small farmers who are exposed to larger market fluctuation.
- ⇒ It also provides a favourable context to the creation of social enterprises as, quite similarly to cooperatives, agritourism offers a wide range of activities that are fit to this form of entrepreneurship.

#### 3.2 BEST PRACTICES

• Municipality-level project staff presence is crucial: Having a project staff posted full-time in each of the INTERDEV 2 municipalities represent a non-negligible cost. However, this cost cannot be questioned as the role played by the Municipal Project Support Officer is essential to the project effective results and central to the coordination and implementation of all activities at the municipal level. Stakeholders interviewed by the evaluation have explained how other interventions merely delivering technical expertise produced limited impact and could not compare to INTERDEV2. The MPSO has multiple hats: facilitator, coordinator, mentor, communicator, a local technical resource. Maybe, even more importantly, she or he is the link that ensure the project has a truly bottom-up approach. The MPSO builds and maintains the relationship with local actors and this is key to establishing the trust and

maintaining the commitment to the project at the local level. This role should be maintained at all cost in the perspective of a further phase, following INTERDEV 2.

Instigating cooperation among municipalities sharing common features, potentials and • obstacles: Dragash/Dragaš, Shtërpcë/Štrpce and Viti/Vitina form a coherent community; a community defined by similar challenges (geographically remote, limited infrastructure, isolated from central decision-makers, limited population numbers, high unemployment rates...) and comparable potentials (rich in natural resources with strong sustainable development perspectives, attractive landscapes with touristic potential, rich traditional know-how and culture in need of revival...). The inter-municipal cooperation events initiated through INTERDEV 2 have sparked a great interest within the three municipalities. INTERDEV has acted as a starter and an emulator of this cooperation. However, this has not occurred in an artificial manner to satisfy the project approach, but, rather, the exchanges have intensified as municipalities saw the benefits of organising joint events promoting their similar interests. In a similar way, the project has also raised some awareness among small rural farmers (and especially raspberry producers) that defending common interest is a way to protection their economic situation, municipalities facing the same challenges but sharing the same potentials are expressing a growing interest to increase their level of cooperation.

#### 4. **RECOMMENDATIONS**

The evaluation found the implementation of INTERDEV 2 is moving smoothly and that is does not require significant corrective actions or change for the second half of INTERDEV 2.

In the meantime, this external review has revealed both INTERDEV 1 and 2 have contribute to creating the conditions for a future with a strong potential, which requires to be further explored to be exploited.

Consequently, this section is formulating separately recommendations relating to the implementation of the remaining second half of INTERDEV 2 from suggestions in preparation of the future of the project and the further development of the targeted municipalities.

#### 4.1 INTERDEV 2 MID-TERM RECOMMENDATIONS

#### Nb. 1: Enrich Monitoring and data collection with additional indicators

INTERDEV is delivering results but also produces qualitative impact. However, INTERDEV could strengthen the promotion of its qualitative short-term effects and longer-term impacts by developing additional (gender-related, environment-related, economic related) indicators for which data could be collected from previous beneficiaries. While collecting data in the field to inform such indicator is challenged by the required resources to do so, the project could use the fact that most of (the interviewed) beneficiaries have access to the internet by developing simple online surveys. Such survey could enquire, among other, about the economic performance of small rural business (activity still existing, generating regular income, hiring new workers...) or the environment (practices reducing environmental impact...). This recommendation would require adequate allocation of time and resource for its implementation.

The project evaluation has also noted a need to improve the data collection to be able to capture the impact of its activities in a stronger manner, for instance, measuring the extent to which environmental-friendly practices have changed, it is recommended for the project to develop indicators and collect related information that will provide a more insightful picture of the diversity and depth of the impacts produced by INTERDEV 2.

The evaluation has learned that most interviewed beneficiaries have an internet connection and are using this mean to gather technical information. Municipal rural development departments could explore the possibility of organising online survey to gather data for monitoring and other informative purposes.

#### Nb. 2: Formulate INTERDEV 2 capacity benchmarks and objectives for local institutions

The Expected Result 1, relating to enhanced municipal capacity in the provision of services in rural development is, by nature, challenging to measure as it recovers a complex reality, composed of tangible and less tangible results. While the evaluation finds the two results indicators from the project's logical framework to be relevant (ER 1.1. and ER 1.2), it appears somehow limited to gauge *Integrated Territorial Development 2 Project– Mid-Term Evaluation Report* 58

progress on the capacity of an institution. It is therefore recommended to develop additional markers than can reflect on the improved competence of the supported municipal agriculture and rural development departments. Hopefully, the database and improve monitoring capacities provided to those units will provide information that can serve the purpose of capacity indicators. One example of such indicators could involve the (increase in) number of field assistance situations solved per month.

# Nb. 3: Prepare the development of the next phase of INTERDEV during the remaining half of INTERDEV 2 by conducting field consultations and developing the main objectives and activities

Both INTERDEV phases have produced convincing results in social inclusion and economic development terms. The field visit has given an opportunity to verify that INTERDEV 2 has turned vulnerable unemployed into active and performing small economic actors. However, this external review has also help understand the both the limits and the potential of the value created by these micro economic actors. Their weaknesses are related to the fact that the full potential offered by a sustainable rural development is only very partially exploited. The positive aspect to this is that several expert actors and determined trustful municipal partners represent the assets calling for INTERDEV 2 to prepare its next intervention in supporting a sustainable rural development.

The evaluation further recommends using the period of the second term of INTERDEV 2 to consult with other international actors likely to continue their interventions in similar sectors and geographic areas, to ensure inter-project coherence and synergy: Caritas Switzerland has already engaged in establishing associations of vulnerable farmers in the wider Prizren region. Swiss Contact has been engaged in the promotion and certification of organic food for several years already. A lot of the expertise required in a future potential intervention is already available locally. These are essential assets to be tapped in when designing a project intervention and this is calling for joint consultation among those key stakeholders.

#### 4.2 POST-INTERDEV 2 RECOMMENDATIONS

While this evaluation is intermediary and primarily focuses on addressing key issues relating to the second half of the project, it has identified opportunities for the period succeeding the current phase. These recommendations, provide elements for a suggested further phase, using the existing potentials to build a sustainable and inclusive agritourism-based economy in the municipality currently supported by the project.

# Nb. 4: Consult international actors engaged in supporting the inclusive, sustainable, ecological, rural development of the Municipalities from the Sharr/Šar region (or the South East region of Kosovo) ...

In order to ensure coherence, optimize complementarity and increase impact, Caritas Switzerland, Helvetas Swiss, are currently planning future interventions closely connected to INTERDEV's sector of

intervention. Swiss Contact is also engaged into organic food production. The presence of those several actors represent a great opportunity to review how potential future interventions can utilise all the expertise available and take this into consideration when developing a potential further intervention.

## Nb. 5: Strengthen the organisation of small rural economic actors through the promotion of a rural cooperative model and continue supporting the social enterprise model:

Small rural businesses and their livelihoods remain strongly dependent on external shocks (such as fluctuation of global market prices) and their performance is limited by poor equipment and difficult access to loans. (As a matter of fact, majority of famers interviewed are only cultivating a part of the land they own as they do not have the necessary equipment and resources to do so.)

Workers employed in the informal sectors are also socially excluded as they are economically vulnerable and deprived of any legal, social or medical protection.

In the meantime, inclusive economic development, need to be organised around business models that are inclusive and address the challenges described above.

Rural Cooperatives are an effective response to the challenges experienced by such rural actors however its implementation requires the following pre-conditions:

- The cooperative model is properly introduced (awareness raising of benefits, responsibilities and obligations...)

- The cooperative is properly established with detailed business plan, functioning

- The cooperative receives managing/mentorship accompaniment during an initial period until it is effectively functioning.

Social enterprises represent a model answering the challenges of socially excluded groups that are highly vulnerable, such as women working in the informal sector.

The promotion of rural cooperatives and social enterprises obviously implies that such entities are established, receive substantial mentorship and technical support but also financial resources. Consequently, the evaluation recommends grant scheme tailored to such enterprises to be developed, using criteria and conditions related to the functioning principles of those two economic models.

## Nb. 6: Develop/update rural economic development action plan that integrates and promotes economic activities related to rural tourism:

In close consultation with INTERDEV 2 municipalities, develop or upgrade the existing economic development plan with the following indicative activities: 1. Integrate agritourism as part of the economic activities to be promoted, 2. Integrate the promotion of the above-mentioned rural

cooperatives and social enterprises, 3. Support the implementation of value chain analysis recommendations through grant schemes.

The value chain recommendations and the potential to create higher value locally has strongly emerged as a strategic direction for a possible future phase of INTERDEV. Thus, the evaluation strongly recommends for UNDP to start investigating in that direction, and design the proposal for a future intervention, in consultation with international actors already committed to sustainable rural development.

## Nb. 7: Review the possibility to empower LAG (or any other relevant local stakeholder) as a central stakeholder to inclusive rural (agritourism) economic development.

Taking the agritourism development to the next level will require this process relies on a strong local stakeholder that be act as the long-term driver of this development. So far, LAG has taken a central role in the implementation of INTERDEV as emerges as the legitimate body to take that role. Future economic development will need to have a local-level stakeholder – such as potentially the LAG – to take that role. Should be further empowered. In this perspective, LAG should include a strong representation of key rural development economic actors (LDF grantees, cooperatives...)

## Nb. 8: Continue to support inter-municipal cooperation based on the coherence of territorial identity (municipal territories sharing similar characteristics):

INTERDEV 2, municipalities share in common a strong, natural and legitimate branding: the Sharr/Šar region (other alternatives are obviously possible). As an example, the three municipalities could organise joint events such as a Sharr/Šar regional (gastronomic, cultural...) fairs as an event rotating between municipalities and where all three are represented each time.

#### Proposed options to be explored:

The following are not recommendations, but options the evaluation has found worth exploring in the perspective of a future intervention.

- <u>Develop the digitalization of the local rural economy for its promotion and service provision</u> (support the development of a professionally-design website gathering all products and services from the region)
- <u>In next phase: build in indicators to measure municipal services performance</u> (results, all dimension economic performance, gender progress, environment) and beneficiary satisfaction
- <u>Bring MAFRD on-board and advocate for MAFRD grant-schemes</u> that are well adjusted to the specific needs to agritourism (incentives to organic or reduce use of chemicals...)

#### ANNEXES

- ANNEX 1 MISSION AGENDA WITH INTERVIEWEE LIST
- ANNEX 2 LIST OF REVIEWED DOCUMENTATION
- ANNEX 3 BENEFICIARY SYSTEMATIC QUESTION MATRIX
- ANNEX 4 INTERVIEW TOPICS
- ANNEX 5 INTERDEV 2 LOGICAL (RESULTS) FRAMEWORK

| Date       | Location        | Stakeholder          | Name/Position  |
|------------|-----------------|----------------------|--|
| 03.08.2018 |                 | UNDP                 | Vlora Elshani, INTERDEV 2 Project Manager                              |
|            |                 |                      | David Svab, Sustainable Development Programme Analyst                  |
|            |                 |                      | Mehmet Rashiti, MSPO Viti/Vitina                                       |
|            |                 |                      | Kaltrina Salihu, MPSO Dragash/Dragaš                                   |
|            |                 |                      | Anton Selitaj, Programme Associate                                     |
|            | Prishtinë/      | ADA                  |  |
|            | Priština        | Coordination         | Gunther Zimmer, Counsellor & Head of Country Office, Coordination      |
|            |                 | Office for           | Office for Technical Cooperation, Austrian Embassy, Prishtinë/Priština |
|            |                 | Technical            | Arsim Aziri, Programme Manager Economic Development & Deputy           |
|            |                 | Cooperation          | Head of Office, Coordination Office for Technical Cooperation,         |
|            |                 |                      | Austrian Embassy, Prishtinë/Priština                                   |
| 06.08.2018 | Prishtinë/      | UNDP                 | Valbona Bogujevci, Assistant Resident Representative and Programme     |
| 00.00.2010 | Priština        | UNDP                 | Coordinator  |
|            | 1 Hotmu         | Municipality         | Sokol Haliti, Mayor  |
|            |                 | Municipality         | Ibadete Hyseni, Municipal Gender Officer                               |
|            |                 | UNDP                 | Mehmet Rashiti, MSPO   |
|            |                 | Employment           | Isuf Behluli, Head of Office   |
|            |                 | Office               |  |
|            | Viti/Vitina     | DAFRD                | Veton Ademi, Head of Office  |
|            |                 | LAG                  | Granit Abdyli, Chair   |
|            |                 |                      | Fadile Demelezi, Member  |
|            |                 | Beneficiaries        | Bukurije Alidema, Pozharan/Požaranje – LDF                             |
|            |                 |                      | Flakron Halabaku, Pozharan/Požaranje – TEP 1                           |
|            |                 |                      | Tefik Hoxha, Sllatinë e Poshtme/Donja Slatina TEP 3                    |
|            |                 |                      | Mahmudie Frangu, Sllatinë e Poshtme/Donja Slatina – TEP 3              |
|            |                 |                      | Dorant Ismaili, Sadovinë e Çerkezve/Čerkeza Sadovina – TEP 1           |
|            |                 | UNDP                 | Ivica Samardzić, MSPO  |
|            | ou              | INTERDEV 2           |  |
|            | Shtërpcë/Štrpce | Municipality         | lvica Tanasijević, Deputy Mayor  |
|            |                 | Employment           | Dušan Krstić, Head of Mayor's Office                                   |
|            |                 | Employment<br>Office | Milena Milisavljević   |
|            |                 | Social               |  |
|            | C               | Enterprise           |  |
|            | Sevcë/Sevce     | (Independent         | Zorica Vuksanović- President of Association                            |
|            |                 | Association of       | Zlata Ristić-Association founder                                       |
|            |                 | Women from           | Radovan Vuksanović – Association Administration Officer                |
|            |                 | Sevcë/Sevce          |  |
|            |                 | (NUŽS)               |  |
|            |                 |                      | Suzana Stojanović, TEP 3   |
|            |                 |                      | Nebojša Milosavljević, TEP 3   |
|            |                 | Beneficiaries        | Olga Pavlović, TEP 1   |
|            |                 |                      | Stojko Jovanović, TEP 1  |
|            |                 |                      |  |

#### **ANNEX 1 – MISSION AGENDA WITH INTERVIEWEE LIST**

| 07.08.2018 | Viti/Vitina     | Beneficiaries        | Valbona Ajeti, NGO Hortikultura, TEP 4<br>Albana Xheladini, TEP 3<br>Valdete Sahiti, LDF Call 1<br>Valon Avdyli, Smirë/Smira, TEP 1<br>Hamite Salihu, Smirë/Smira, TEP 3<br>Ramiz Kurteshi, Vërban/Vrban – TEP 3<br>Sabrije Zejnullahu, Drobesh/Drobeš TEP 3<br>Arbnor Salihu – Gjylekar/Đelekare – TEP 3   |
|------------|-----------------|----------------------|---|
|            | Shtërpcë/Štrpce | Beneficiaries        | Danijela Djordjević, Biti e Poshtme/Donja Bitinja, TEP 3<br>Aleksandra Uzunović, Shtërpcë/Štrpce, TEP 3<br>Tamara Simić, Berevcë/Berevce, TEP 1<br>Jelena Durlević, Biti e Poshtme/Donja Bitinja, TEP 3<br>Dejan Mladenović, Vërbeshticë/Vrbeštica, TEP 3<br>Slobodan Staletović, Vërbeshticë/Vrbeštica, TEP 3<br>Igor Jočinac, Berevcë/Berevce, LDF Call 2<br>Stojna Djordjević, Sevcë/Sevce, TEP 1<br>Vesna Stanišić, Shtërpcë/Štrpce, LDF Call 1<br>Ekrem Fetahu, Biti e Poshtme/Donja Bitinja, TEP 1 (INTERDEV 1)<br>Vlastimir Stojčetović, Biti e Poshtme/Donja Bitinja, LDF Call 1<br>Miloš Marković, Shtërpcë/Štrpce, TEP 2 (INTERDEV 1)<br>Ariana Duka, Firajë/Firaja, TEP 1 (INTERDEV 1) |
| 08.08.2018 | Duranch (Duran) | Municipality         | Shaban Shabani, Mayor<br>Lindita Kozmaqi – Piraj, Municipal Gender Officer<br>Fejsal Halilović, DAFRD<br>Flamur Sylejmani, Officer for Rural development and Tourism, DAFRD,<br>LAG coordinator   |
|            |                 | Employment<br>Office | Fitim Kurtishi  |
|            |                 | Dragash/Dragaš       | Fidan Skeraj, Rrenc/renc, Association of Milk Producers, TEP 3<br>Fatlind Neziri, Dragash/Dragaš, Association of Berry Producers, TEP 3<br>Ćamilj Tudjari, Social Enterprise "Mladi na Selu" Glloboçicë/Globočica,<br>TEP 4<br>Rami Qollopeku, Zym/Zjum, LDF Call 2<br>Zeneta Bajrami, Shajne/Šajnovce, TEP 1<br>Seldzuka Nemce, Restelicë/Restelica, TEP 3<br>Sylbije Gashi, Brezne/Brezna, TEP 3  |
| 09.08.2018 |                 | Beneficiaries        | Tosun Hyseni, Zaplluxhe/Zaplužje, TEP 3<br>Lirim Fazlija, Brezne/Brezna, TEP 3<br>Ardian Qafleshi, Bellobrad/Belobrad, TEP 1<br>Zenun Ahmeti, Dikanc/Dikance, TEP 3<br>Edis Sylejmani, Dragash/Dragaš, TEP 1<br>Vehap Bajrami, Dragash/Dragaš, LDF Call 3 (INTERDEV 1)<br>Suzana Skenderi, Brrut/Brut, LDF Call 1<br>Flamur Muharremi, Kuklibeg/Kukljibeg, TEP 3<br>Azemine Domuzeti, Pllajnik/Plajnik, LDF Call 2 and TEP 4 (INTERDEV 1)<br>Sinan Qafleshi, Bellobrad/Belobrad, TEP 3<br>Manjola Rexhepi, Bellobrad/Belobrad, TEP 3  |
|            |                 |                      | Aleksandar Milenković, Sushicë/Sušice, TEP 3 (INTERDEV 1)   |

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| 10.08.2018 | Shtërpcë/Štrpce        |  | Sladjan Šarkoćević, Bervcë/Berevce, LDF Call 1 (INTERDEV 1)<br>Tanja Staletović, Berevcë/Berevce, LDF Call 1<br>Bojan Stojčetović, Shtërpcë/Štrpce, Association of Raspberry<br>Producers,<br>Gazmend Fetahu, Biti e Poshtme/Donja Bitinja, TEP 1 (INTERDEV 1)  |
|------------|------------------------|--|---|
|            | Dragash/Dragaš         | Beneficiaries                            | Simret Saiti, Dragash/Dragaš, TEP 1<br>Amela Selmani, Dragash/Dragaš, TEP 1<br>Adelina Dauti, Dragash/Dragaš, TEP 1 (INTERDEV 1)<br>Nadil Garipi, Lubovishtë/Ljubovište, TEP 3<br>Qamile Huqaj, Pllavë/Plava, LDF Call 2 (INTERDEV 1)<br>Amir Qemaledini, Bresanë/Brodosavce, TEP 3<br>Besmir Krasniqi, Brezne/Brezna, LDF Call 1 |
| 13.08.2018 | Prishtinë/<br>Priština | NGO Helvetas<br>Swiss<br>Cooperation     | Basri Pulaj, Deputy Project Manager   |
|            | Suharekë/Suva R<br>eka | LDF                                      | Bernardina Krasniqi, Secretary, Local Development Fund  |
|            | Prizren                | Caritas Swiss                            | Veton Rruka, Senior Programme Officer   |
| 14.08.2018 | Prishtinë/Priština     | Swiss<br>Cooperation                     | Katrin Ochsenbein, Regional Adviser Economy and Employment,<br>Western Balkan<br>Arjeta Byci-Lleshi, Senior National Program Officer  |
| 15.08.2018 | Prishtinë/Priština     | Swisscontact<br>Project board<br>setting | Besnik Cecelia, Market Facilitator<br>Presentation of Evaluation Initial findings and recommendations   |

| Title   | Date           | Author  |
|---|----------------|---|
| INTERDEV 2 Project document = logical framework   | 2017           | UNDP  |
| CAPACITY DEVELOPMENT RECOMMENDATIONS FOR INTERDEV2<br>PROJECT                               | May 2017       | UNDP  |
| INTERDEV 2 Annual Workplan 2017   | 2017           | UNDP  |
| INTERDEV 2 Annual Workplan 2018   | 2018           | UNDP  |
| INTERDEV 2 First Project Board Meeting minutes  | Feb 2018       | UNDP  |
| INTERDEV 2 Second Project Board Meeting minutes   | Feb 2018       | UNDP  |
| INTERDEV 2 Annual Progress Report 2017  | 2018           | UNDP  |
| INTERDEV 2 Interim Progress Report January – June 2018                                      | 2018           | UNDP  |
| INTERDEV 2 Inception Report   | May 2017       | UNDP  |
| INTERDEV Mid-Term Evaluation Report   | Dec 2015       | Eva Otero, Urim<br>Ahmeti   |
| INTERDEV Final Evaluation Report  | Jan 2017       | Heli Heusala,<br>Krenar Loshi   |
| Territorial Employment Pact Dragash/Dragaš  | 2017           | UNDP  |
| Territorial Employment Pact Shtërpcë/Štrpce   | 2017           | UNDP  |
| Territorial Employment Pact Viti/Vitina   | 2017           | UNDP  |
| Value Chain Analysis in Tourism, Viti/Vitina Municipality                                   | 2017           | UNDP  |
| My Municipality Dragash/Dragaš Viti/Vitina Shtërpcë /Štrpce                                 | Dec 2017       | ADA/UNDP  |
| EAFRD (European Agency for Rural Development) support for<br>sustainable tourism 2014-2020  | Dec 2013       | EC  |
| NATIONAL REPORT OF MOST RURAL AREA OF KOSOVO FOR<br>PRESENTATION IN ERP GATHERING 2015      | Sep 2015       | Network of<br>Organisations<br>for Rural<br>Development of<br>Kosovo      |
| Kosovo Law (no 04/L-085) on organic farming   | 13 Sep<br>2012 | Kosovo<br>Assembly  |
| AGRICULTURE AND RURAL DEVELOPMENT PROGRAM 2016  | 2016           | MAFRD   |
| ORGANIC AGRICULTURE AND SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT                       |                | Caroline<br>Hattam  |
| Organic Farming and Sustainable Rural Development: A Multifaceted and Promising Convergence | 2001           | Patrizia<br>Pugliese,<br>European<br>Society for<br>Rural Sociology       |
| A SURVEY ON TRADITIONAL CHEESE PRODUCTION AND DIVERSITY IN<br>KOSOVO                        | 2017           | University of<br>Prishtina<br>Faculty of<br>Agriculture and<br>Veterinary |

#### **ANNEX 3 – BENEFICIARY SYSTEMATIC QUESTION MATRIX**

| Question 1. | What is your            | municipality of residence?   |
|-------------|-------------------------|--|
| Answer:     | 1. 🗆                    | Dragash/Dragaš,  |
|             | 2. 🗖                    | Shtërpcë/Štrpce,   |
|             | 3. 🗖                    | Viti/Vitina,   |
| Question 2. | To which con            | nmunity do you belong?   |
| Answer:     | 1. 🗆                    | Albanian   |
|             | 2. 🗖                    | Serb,  |
|             | 3. 🗖                    | Gorani   |
|             | 4. 🗆                    | Roma   |
|             | 5. 🗖                    | Other  |
| Question 3. | In which year           | did you receive INTERDEV small business assistance?                        |
| Answer:     | (One                    | answer only):  |
|             | 1. 🗆                    | 2014   |
|             | 2. 🗆                    | 2015   |
|             | 3. 🗆                    | 2016   |
|             | 4. 🗆                    | 2017   |
|             | 5. 🗖                    | 2018   |
| Question 4. |                         | ch INTERDEV business support meant to the successful ent of your business? |
| Answer:     | 1. 🗆                    | It was essential.  |
|             | 2. 🗖                    | It was not essential, but it made a huge difference.                       |
|             | 3. 🗆                    | It was useful but not very important.                                      |
|             | 4. 🗆                    | It was not useful  |
| Question 5  | How satis<br>has receiv | fied are you with the quality the municipal services your business ved?    |
| Answer:     | 1. 🗆                    | Not satisfied at all.  |

|             | 2. 🗖                   | Only partially satisfied.  |
|-------------|------------------------|--|
|             | 3. 🗖                   | Satisfied.   |
|             | 4. 🗆                   | Very satisfied   |
| Question 6  | ls your busine         | ess still active?  |
| Answer:     | 1. 🗆                   | Yes  |
|             | 2. 🗖                   | No   |
| Question 7  | ls your busine         | ess currently generating profit?   |
| Answer:     | 1. 🗆                   | Yes  |
|             | 2. 🗖                   | No   |
| Question 8  | ls the pi<br>household | rofit generated from your business sufficient to cover your dineeds?                         |
| Answer:     | 1. 🗆                   | Yes, all of needs  |
|             | 2. 🗖                   | Yes, most of needs   |
|             | 3. 🗖                   | Some of needs  |
|             | 4. □                   | No or insignificant part of needs.   |
| Question 9  | How conf<br>going ban  | ident are you that your business is now stable and not at risk of krupt?                     |
| Answer:     | 1. 🗆                   | Not confident at all.  |
|             | 2. 🗖                   | Relatively confident.  |
|             | 3. 🗖                   | Confident.   |
|             | 4. 🗖                   | Very confident   |
| Question 10 | How do you s           | see your business evolve in the future?  |
| Answer:     | 1. 🗆                   | I am confident it will grow.   |
|             | 2. 🗖                   | I am confident it will remain stable.  |
|             | 3. □<br>confid         | I am afraid my business will reduce in size. 4. I am not<br>ent in the future of my business |
| Question 11 | Have your<br>environme | taken concrete steps for your business that are respectful of the ent?                       |
| Answer:     | 1. 🗆                   | No.  |
|             | 2. 🗖                   | No, but I am intending to  |
|             | 3. 🗖                   | Yes,   |
| Question 12 |                        | wer to the previous question (number …) is "yes" or "No, but I ing to", please explain if    |

Answer: 1. □ You the project has made you aware of the environmental potential risk of your business,

2. You were already aware and the project provided the necessary incentives for you to take action

3. U You were already aware and would have taken concrete environmentally friendly steps anyway

4. The project incentives are not sufficient to allow me to take concrete environmentally friendly steps

Question 13 Are you a:?

Answer: 1. □Female.

2. □ Male.

**Question 14** (Please only answer this question if you are a female) To which extent, do you consider the project has improved your socio-economic situation as a woman

| Answer: | 1. 🗆 | Very much improved. |  |
|---------|------|---------------------|--|
|---------|------|---------------------|--|

- 2. Improved
- 3. Improved to some extent only
- 4. □ Not improved

**Question 15** (*Please only answer this question if you are a female*) How would you say the project has changed your professional, economic and social situation as a woman?

| Answer:     | (several possible answers)   |  |
|-------------|--|--|
|             | 1. I am become financially more independent  |  |
|             | 2. I am enjoying more professional responsibilities  |  |
|             | 3. I am enjoying recognition of my professional capacity   |  |
|             | 4. □ I have gained self-confidence   |  |
|             | 5. I am enjoying a stronger acceptance as an actively employed woman,  |  |
|             | 6. My professional counterparts are considering me on an equal foot with professionally active men   |  |
|             | 7. I do not feel my socio-economic situation as a woman has advanced.  |  |
| Question 16 | ( <i>Please only select one answer</i> ). Which one from the list below do you consider as a priority for your activity grow economically? |  |
| Answer      | 1. D More knowledge about possibilities to access loans or credit  |  |
|             | 2. D More technical expertise available locally  |  |

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| 3. 🗖         | Better marketing of my products or services  |
|--------------|--|
| 4. 🗆         | Better process to increase the value of my products or services  |
| 5. 🗖         | Official quality certification of my products or services  |
| 6. 🗖         | More connections with markets outside Kosovo   |
| 7. 🗆         | Better access to internet  |
| 8. 🗖         | None of the above is a priority  |
|              | only select one answer). Which one from the list below do you as a <u>second priority</u> for your activity grow economically? |
|              |  |
| 1. 🗆         | More knowledge about possibilities to access loans or credit   |
| 2. 🗖         | More technical expertise available locally   |
| 3. 🗖         | Detter regulation of recommendation or comission   |
| О. Ц         | Better marketing of my products or services  |
| 4. □         | Better marketing of my products or services<br>Better process to increase the value of my products or services                 |
|              | 0 71   |
| 4. 🗆         | Better process to increase the value of my products or services  |
| 4. □<br>5. □ | Better process to increase the value of my products or services<br>Official quality certification of my products or services   |
|              | 4. □<br>5. □<br>6. □<br>7. □<br>8. □<br>( <i>Please o</i><br>consider a<br>1. □<br>2. □  |

#### **ANNEX 4 – INTERVIEW TOPICS**

| <b>Related Judgement</b> | Nb       | QUESTION  | Targeted stakeholder                         |
|--------------------------|----------|---|--|
| criteria                 |          |   |  |
| 1.2.1.                   | 1.       | Past, current and expected main project challenges?   | UNDP, Mun,                                   |
| 1.3.1                    | 2.       | What concrete measures has the project established to ensure there are minimum quality<br>standards in relation to:<br>- Environmental protection?<br>- Gender equality?<br>- social inclusion? | Mun, Benef, Dir of Agri<br>& rural dev       |
| 1.3.1.                   | 3.       | What type of data are you collecting to report on these quality standards for:<br>- Environmental protection?<br>- Gender equality?<br>- social inclusion?                                      | UNDP, Mun, Benef, Dir<br>of Agri & rural dev |
| 1.3.1.                   | 4.       | Your recommendations about additional measures necessary to implement in relation to:<br>- Environmental protection?<br>- Gender equality?<br>- social inclusion?                               |  |
| 1.4.1.                   | 5        | Has there been any change at policy or strategic level in sectors relevant to INTERDEV 2?   | UNDP, Mun, Benef, Dir<br>of Agri & rural dev |
| 1.4.3.                   | 6        | If any changes, how have they affected the project?   | UNDP, Mun, Benef, Dir<br>of Agri & rural dev |
| 1.5.1.                   | 7        | Have you identified other relevant areas that the project could explore? (more organic food production? Prioritize certification process?)  | UNDP, Mun, Benef, Dir<br>of Agri & rural dev |
| 2.2.1.                   | 8.<br>9. | Are you planning to reach the project target by the end of the implementation period?<br>If not, what are the reasons?  | UNDP   |
| 2.2.1.                   | 10.      | What have been to key challenges to implementation until now?   |  |
|                          | 11.      | How have you addressed those challenges and what are the lessons learned?   | UNDP, Mun, Dir of Agri<br>& rural dev        |

| 2.4.1. | 12 | If any, what are your recommendations on how to continue or improve the project implementation so that it reaches its objectives?  | UNDP, Mun, Benef, Dir<br>of Agri & rural dev    |
|--------|----|--|---|
| 3.1.   | 13 | <ul> <li>Are you planning to continue providing all INTERDEV 2 existing services?</li> <li>How are ensuring continuation or improvement of municipal services in the future?</li> <li>How will you ensure the financing of the continuation of municipal services in the future?</li> <li>(from municipal budget? Through small business tax collection? From Central budget? Form other donors?)</li> </ul> | UNDP, Mun                                       |
| 3.1.   | 14 | Are you confident your business activity will continue existing in the future?<br>If yes, What makes you confident about this? (increased interest of potential clients? Potential to increase production? Diversification?)   | Small business, Social<br>Enterprises           |
|        | 15 | Are you confident your employment will continue existing in the future?<br>If yes, What makes you confident about this?  | Benef who got<br>employed through<br>INTERDEV 2 |
| 3.2.   | 16 | Are you still monitoring and collecting data about INTERDEV 1 beneficiaries?<br>If yes, how many of the INTERDEV 1 beneficiaries are still engaged in business, employed?<br>How many INTERDEV 1 beneficiaries are also INTERDEV 2 beneficiaries?<br>Which lessons learned have you used from INTERDEV 1 to develop INTERDEV 2?<br>What are the main differences between INTERDEV 1 and 2?                   | UNDP, Mun, Dir of Agri<br>& rural dev           |
| 3.3.   | 17 | Are there any current challenges to the sustainability of the project during second half of<br>INTERDEV 2? After INTERDEV 2?<br>If yes, what are those (immediate and longer-term/post-project challenges and what are your<br>recommendations to address them?)   |   |
| 3.4.   | 18 | Do you expect all project activities to be fully transferred to relevant stakeholders by the end of<br>the project?<br>Are stakeholders ready (capable, aware) to fully take over continuation of services?<br>Is the transfer formally arranged?<br>Are there arrangement to ensure taking over the cost of stakeholders continuing project<br>activities (after the end of INTERDEV 2)?                    | UNDP, Mun                                       |
| 4.1.   | 19 | How much of project services do you expect to continue after the end of INETERDEV 2, and especially:   | UNDP, Mun, Dir of Agri<br>& rural dev, LDF, ADA |

|      |    | - continuation of municipal services?  |                                |
|------|----|--|--------------------------------|
|      |    | - continuation of distribution of grants (LDF CFP)?  |                                |
|      |    | - continuation of TEP processes and plans?   |                                |
|      |    | - continuation of inter-municipal collaboration?   |                                |
|      |    | - continuation of social enterprises?  |                                |
|      |    | - continuation of promotion of small business production and services?   |                                |
| 4.1. | 20 | - What are the main changes INTERDEV 1 has brought to your institution?  | UNDP, Mun, Dir of Agri         |
|      |    | - More specifically, please explain the changes in term of staff motivation and efficiency in  | & rural dev, Employt           |
|      |    | delivering services? Are there any indicators of these specific changes?   | Office                         |
|      |    | - Are those changes sustainable?   |                                |
|      |    | - Are there any other changes, your institution has decided, besides INTERDEV 2 introduced   |                                |
|      |    | changes? (public awareness campaigns, changes of protocols within municipal services, concrete initiatives?)   |                                |
| 4.2. | 21 | - From those changes (referred to in the above question), which concreted changes your   | UNDP, Mun, Dir of Agri         |
|      |    | institutions, has realised in support of the socio-economic inclusion of vulnerable groups?  | & rural dev, Employt<br>Office |
|      | 22 | Does the project have an exit strategy?<br>Will ADA consider an INTERDEV 3? If yes, what are the expectations in terms of locally-owned<br>sustainability? | ADA, UNDP                      |
| 4.3. | 23 | How is your institution monitoring the selection and delivery process of assistance to vulnerable beneficiaries?   | Mun, Employ Office             |
| 4.4. | 24 | What are the existing mechanisms ensuring access to project services to vulnerable groups?   |                                |
|      |    | How do you ensure these mechanisms are effective? (monitoring? Quality control?)   |                                |
| 4.5  | 25 | If any, which concrete steps have you taken to ensure better management of natural   |                                |
|      |    | resources?   |                                |
|      |    | What have been the results or effects of these steps?  |                                |
| 4.6  | 26 | How much of the mechanisms established through INERDEV 1 and 2 is already or going to  |                                |
|      |    | become institutionalise within your institution/organisation?  |                                |
| 5.1. | 27 | Has the project overall been implemented as per the plan?  |                                |

|      |    | Do you believe the project could have been implemented more efficiently?<br>If yes, how?  |                |
|------|----|---|----------------|
| 5.2. | 28 | Has to the coordination of the project with other relevant interventions effectively taken place?<br>What have been the benefits or disadvantages of this coordination?   | UNDP, ADA, Mun |
| 5.3. | 29 | Has the project experience difficulties in relation to management and administration?<br>If yes, what difficulties?<br>Lessons learned and possible recommendations to improve project management and<br>administration?  |                |
| 6.1  | 30 | Is there a plan for the project to ensure full local ownership?<br>Do you expect full ownership of project activities and expertise to be achieved by the end of<br>INTERDEV 2?   |                |
| 7.1  | 31 | <ul> <li>Which concrete steps or mechanisms has your institution taken to ensure gender equality and participation?</li> <li>How much of those steps and mechanisms have been institutionalised?</li> <li>What have been the effects of those steps?</li> <li>Are you monitoring/recording data to measure the effect?</li> </ul> |                |

#### TOPIC PER STAKEHOLDER

#### 1. MAYOR

- Main benefits & impacts of project?
- Main changes as a result of the project?
- How much of the project mechanisms and knowledge is institutionalised?
- Are INTERDEV 2 priorities also the priorities of the municipality?
- Any current issue to be addressed and main recommendations for the 2<sup>nd</sup> half of the project?
- Main recommendations for the period after the project?
- Does the municipality have a plan to secure funds to continue services after INTERDEV2?
- Will it need some assistance (UNDP?...) to identify ways to secure funds to continue services?
- Have you identified other relevant areas that the project could explore? (more organic food production? Prioritize certification process?....)

## 2. MUNICIPAL BUSINESS SUPPORT SERVICES (DIRECTORATE FOR AGRICULTURE AND RURAL DEVELOPMENT...)

- Main results and impact of the project?

What concrete measures has the project established to ensure there are minimum quality standards in relation to:

- Environmental protection?
- Gender equality?
- social inclusion?

What type of data are you collecting to report on these quality standards for:

- Environmental protection?
- Gender equality?
- social inclusion?

Have you identified other relevant areas that the project could explore? (more organic food production? Prioritize certification process?....)

- Any current issue to be addressed and main recommendations for the 2<sup>nd</sup> half of the project?

How much of project services do you expect to continue after the end of INETERDEV 2, and especially:

- continuation of municipal services?
- continuation of distribution of grants (LDF CFP)?
- continuation of TEP processes and plans?
- continuation of inter-municipal collaboration?
- continuation of social enterprises?
- continuation of promotion of small business production and services

- What are the main changes INTERDEV 1 has brought to your institution?

- More specifically, please explain the changes in term of staff motivation and efficiency in delivering services? Are there any indicators of these specific changes?

- Are those changes sustainable?

- Are there any other changes, your institution has decided, besides INTERDEV 2 introduced changes? (public awareness campaigns, changes of protocols within municipal services, concrete initiatives?)

- Are you planning to continue providing all INTERDEV 2 existing services after the end of the project?

- How are ensuring continuation or improvement of municipal services in the future?

- How will you ensure the financing of the continuation of municipal services in the future? (from municipal budget? Through small business tax collection? From Central budget? Form other donors?)

Are you still monitoring and collecting data about INTERDEV 1 beneficiaries? If yes, how many of the INTERDEV 1 beneficiaries are still engaged in business, employed? How many INTERDEV 1 beneficiaries are also INTERDEV 2 beneficiaries? Which lessons learned have you used from INTERDEV 1 to develop INTERDEV 2? What are the main differences between INTERDEV 1 and 2?

How is your institution monitoring the selection and delivery process of assistance to vulnerable beneficiaries?

Which concrete steps or mechanisms has your institution taken to ensure gender equality and participation? How much of those steps and mechanisms have been institutionalised? What have been the effects of those steps? Are you monitoring/recording data to measure the effect?

#### 3. SMALL BUSINESS SUPPORTED THROUGH GRANTS (OUTPUT 2)

- If any, which concrete steps have you taken to ensure better management of natural resources? What have been the results or effects of these steps?

- Have you taken any concrete steps in order to reduce your impact on your environment and better manage natural resources?

- Women beneficiaries: Please explain how the project has changed your life as woman?

## 4. SELF-EMPLOYED BENEFICIARY SUPPORTED THROUGH TEP GRANTS

- Are you confident your business activity will continue existing in the future?

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- If yes, What makes you confident about this? (increased interest of potential clients?
- Potential to increase production? Diversification?...)
- Have you taken any concrete steps in order to reduce your impact on your environment and better manage natural resources?
- What is your current main challenge?
- Do you have any recommendation to the project to improve its support to small business like yours?
- Women beneficiaries: Please explain how the project has changed your life as woman?

## 5. EMPLOYED BENEFICIARY SUPPORTED THROUGH TEP GRANTS

- Is the income from your employment sufficient to cover your household's essential needs?
- Is your employment short-term, longer-term?
- If short-term, what are your perspective of employment after your current contract is over?
- Women beneficiaries: Please explain how the project has changed your life as woman?

# 6. EMPLOYMENT OFFICE

- How do ensure individuals from vulnerable groups (women, disabled, youth, long-term unemployed, non-majority...) have access to the project opportunities (jobs, training)?

- What are the existing mechanisms ensuring access to project services to vulnerable groups?
- How well do you collaborate with other stakeholders involved in help the vulnerable to find employment?

# 7. SOCIAL ENTREPRISE

- Are you confident your business activity will continue existing in the future?
- If yes, What makes you confident about this? (increased interest of potential clients?

- Potential to increase production? Diversification?...)

- How are you ensuring the gender equality and social inclusion dimension in your enterprise (recruitment, responsibilities...)

- What are the main benefits & impacts of the project?
- Are you facing current challenges (related to INTERDEV 2) that needs to be addressed in the short-term?

## 8. PRIVATE SECTOR REPRESENTATIVE

- Next steps in implementation of value chain: Where in the chain, more value can be added (certification, marketing, processing...)

- Your recommendations for the local small business to be more performant, attractive and profitable?
- What are the missing skills of the local institutions
- How to increase visibility and attract more investment?

- Do you have any recommendations in relation to ensure the financial sustainability of the project activities and services when donor funding is no longer available?

## 9. LOCAL ACTION GROUP (LAG) MEMBER

- Has to the coordination of the project with other relevant interventions effectively taken place? What have been the benefits or disadvantages of this coordination?

- If any, what are your recommendations on how to continue or improve the project implementation so that it reaches its objectives?

- Have you identified other relevant areas that the project could explore? (more organic food production? Prioritize certification process?....)

- Do you have any recommendations in relation to ensure the financial sustainability of the project activities and services when donor funding is no longer available?

# ANNEX 5 – INTERDEV 2 LOGICAL (RESULTS) FRAMEWORK

|   | Intervention logic  | Indicators<br>Describe the objectives of the action in an (objectively)<br>verifiable and measurable manner. Define (SMART) how and<br>based on what evidence the actual occurrence of a planned<br>change can be observed or measured. |
|---|---|---|
| <b>Overall Objective</b><br>Overarching development objective, i.e.<br>sectoral or guiding objective of the partner<br>country and the Austrian Development<br>Cooperation to which the intervention<br>contributes | Inclusive and sustainable income generation and job creation for women and men is improved<br>in the municipalities of Dragash/Dragaš, Shtërpcë/Štrpce, and Viti/Vitina | Indicator OI: Number of jobs created in<br>the partner municipalities<br>Baseline OI: 924 jobs (2016)<br>Target OI: 710 additional jobs are<br>created in the partner municipalities by<br>the end of the project                       |
|   |   | <ul> <li>Indicator O2: Percentage of jobs created in the partner municipalities for women</li> <li>Baseline O2: 49% (2016)</li> <li>Target O2: 50% of additional jobs are created in the partner municipalities for</li> </ul>          |

| Indicator O3: Percentage of jobs created<br>in the partner municipalities for non-<br>majority communities <sup>13</sup>            |
|---|
| <b>Baseline O3:</b> 54% (2016)  |
| <b>Target O3:</b> 40% <sup>14</sup> of additional jobs are<br>created in the partner municipalities for<br>non-majority communities |
|   |
| Indicator O4: Average % growth in<br>income of the micro and small enterprises<br>supported   |
| Baseline O4: 0  |
| <b>Target O4:</b> Income of the new enterprises supported by the project has grown on average by 120%                               |
|   |
| <b>Indicator O5:</b> Standard of living in the partner municipalities improved  |
| <b>Baseline O5:</b> Standard of living is<br>perceived as the biggest problem by 6.5%<br>of citizens of Dragash/Dragaš, 11.3% in    |

 <sup>&</sup>lt;sup>13</sup> Non-majority communities on the Kosovo level, i.e. K-Serbs, Gorani, Bosniaks, Roma, Ashkali, and Egyptians.
 <sup>14</sup> The decrease of target in comparison to the baseline is due to the inclusion of the municipality of Viti/Vitina which is homogenously K-Albanian and does not have any sizable non-majority communities present.

|   |   | Shtërpcë/Štrpce, and 7.0% in Viti/Vitina<br>(2015)<br><b>Target O5:</b> The perception for the level<br>of living standard improves by 5 perc.<br>points   |
|---|---|--|
|   |   | <b>Indicator O6:</b> Satisfaction with<br>environmental protection in partner<br>municipalities improved   |
|   |   | <b>Baseline O6:</b> Satisfaction level with<br>environmental protection is at 25.5%<br>Dragash/Dragaš, 38.1% in Shtërpcë/Štrpce,<br>and 73.0% in Viti/Vitina (2015)                                    |
|   |   | <b>Target O6:</b> The satisfaction level with environmental protection increases by 5 perc. points   |
| <b>Project Purpose</b><br>Changes projected by the intervention; the sustainable benefit for the target group/s | Municipal public service provision in rural development is enhanced and economic activity of local micro and small businesses is expanded in a gender equitable, socially inclusive and environmentally sustainable manner. | <b>Indicator P1:</b> Number of citizens served/cases through rural development services offered by the municipality  |
|   |   | <b>Baseline P1:</b> In 2016, Dragash/Dragaš<br>1378; 1411 in Viti/Vitina. No data are<br>available for Shtërpcë/Štrpce, we can<br>assume the average number of the two<br>municipalities that is 1395. |
|   |   | <b>Target PI:</b> Number of citizens served/cases through rural development services in the municipality is increased by 25%   |

|  | Indicator P2: Economic activation of  |
|--|---|
|  | residents in partner municipalities,<br>measured as number of jobseekers<br>registered with employment offices                              |
|  | <b>Baseline P2:</b> 3635 jobseekers registered<br>in Dragash/Dragaš, 1390 in<br>Shtërpcë/Štrpce, and 4550 in Viti/Vitina<br>(2016)          |
|  | <b>Target P2:</b> The number of registered jobseekers with municipal employment offices is increased by 10%.                                |
|  | <b>Indicator P3:</b> Level of mediation of vacancies in partner municipalities  |
|  | <b>Baseline P3:</b> 58.1% of registered vacancies in Dragash/Dragaš are mediated, 68.3% in Shtërpcë/Štrpce, and 32.6% in Viti/Vitina (2016) |
|  | <b>Target P3:</b> Increase of 20 perc. points in mediated vacancies in the partner municipalities   |
|  | <b>Indicator P4:</b> Number of rural micro-<br>enterprises adopting environmentally-<br>sound farming and producing                         |
|  | Baseline P4: No appropriate data  |

|   |  | available. Baseline = 0 (2016)  |
|---|--|---|
|   |  | <b>Target P4:</b> Additional 255 micro-<br>enterprises adopting environmentally-<br>sound farming and producing                     |
|   |  | <b>Indicator P5</b> : Satisfaction level with the municipal administration  |
|   |  | <b>Baseline P5</b> : 90.6% in Dragash/Dragaš,<br>74.8% in Štrpce/Shtërpcë, 77.0% in<br>Viti/Vitina (2015, Kosovo Mosaic)            |
|   |  | <b>Target P5</b> : Satisfaction level with the municipal administration improves by 5 percentage points by the end of the project.  |
| Expected Results<br>Products and services provided by the<br>intervention in order to achieve the planned | <b>ERI:</b> Municipal officials have enhanced capacities in provision of services in rural development   | ERI<br>Indicator I.I.: Number of municipal  |
| changes at the level of the project purpose.  |  | officials enrolled in a coaching/mentoring scheme   |
|   | <b>ER2:</b> Local micro and small enterprises and farmers have been supported to upgrade their businesses  | Baseline 1.1.: 0 (2016)   |
|   | <b>ER3:</b> Bottom-up approaches and local-level concertation for employment generation in the form of Territorial Employment Pacts operate at the municipal level | <b>Target I.I.:</b> At least 9 municipal officials<br>enrolled in a coaching/mentoring scheme<br>to improve public service delivery |
|   |  | <b>Indicator 1.2.:</b> Number of business processes in rural and economic public service delivery improved                          |

| Baseline 1.2.: 0 (2016)  |
|--|
| <b>Target 1.2.:</b> At least 5 business<br>processes in rural and economic public<br>service delivery improved                         |
|  |
| ER2  |
| <b>Indicator 2.1.:</b> Number of business<br>initiatives supported to be upgraded<br>through the LDF                                   |
| <b>Baseline 2.1.:</b> 57 (2016)  |
| <b>Target 2.1.:</b> At least 45 additional business initiatives are supported to be upgraded through the LDF by the end of the project |
|  |
| <b>Indicator 2.2.:</b> Percentage of women-led<br>business initiatives supported to be<br>upgraded through the LDF                     |
| <b>Baseline 2.2.:</b> 25% (2016)   |
| <b>Target 2.2.:</b> 35% of the newly supported<br>business initiatives through the LDF are<br>women-led                                |
|  |
| <b>Indicator 2.3.:</b> Percentage of non-<br>majority community member-led business<br>initiatives supported to be upgraded            |

| through the LDF   |
|---|
| <b>Baseline 2.3.:</b> 39% (2016)  |
| <b>Target 2.3.:</b> 40% of the newly supported<br>business initiatives through the LDF are<br>non-majority community member-led         |
| ER3   |
| <b>Indicator 3.1.:</b> Number of job<br>opportunities created through municipal<br>TEPs   |
| <b>Baseline 3.1.:</b> 654 (2016)  |
| <b>Target 3.1.:</b> 595 additional job<br>opportunities created in the three<br>municipalities by the end of the TEPs<br>implementation |
| <b>Indicator 3.2.:</b> Share of job opportunities created for women through TEPs  |
| <b>Baseline 3.2.:</b> 36% (2016)  |
| <b>Target 3.2.:</b> 40% of additional job<br>opportunities are created for women<br>though TEPs   |
|   |
| <b>Indicator 3.3.:</b> Share of job opportunities created for non-majority communities through TEPs                                     |

|  | <b>Baseline 3.3.:</b> 61% (2016)  |
|--|---|
|  | <b>Target 3.3.:</b> 40% of additional job opportunities are created for non-majority communities though TEPs    |
|  | <b>Indicator 3.4.:</b> Number of rural micro-<br>enterprises created or upgraded through<br>TEPs                |
|  | Baseline 3.4.: 268 (2016)   |
|  | <b>Target 3.4.:</b> 210 additional rural micro-<br>enterprises created or upgraded through<br>TEPs              |
|  | <b>Indicator 3.5.:</b> Number of rural micro-<br>enterprises in organic agriculture<br>established through TEPs |
|  | Baseline 3.5.: 0 (2016)   |
|  | Target 3.5.: At least 20 rural micro-enterprisesinorganicagricultureestablishedthroughTEPs                      |
|  |   |