



CAPITALISATION OF EXPERIENCE FOR THE “MAKING MARKETS WORK FOR THE NEW GENERATION IN BOSNIA AND HERZEGOVINA” PROJECT

Author: Andreas Müller, Advisor Youth Employment Promotion

Date: 11.05.2023

Management Summary

The capitalisation of experience (CapEx) is a process that formalises and transforms past project experiences into learnings for future endeavours. This paper focuses on the implementation of the MarketMakers project in Bosnia and Herzegovina (BiH) by HELVETAS Swiss Intercooperation (HELVETAS). The CapEx aims to harness the MarketMakers' **project management experience** in dealing with internal and external challenges and improve the performance of other HELVETAS development projects by transferring this knowledge.

The methodology applied to this CapEx includes a hybrid approach, with a review of secondary data such as project documents, reports, mid-term review, and primary data collected through interviews and an online workshop with subject matter experts and other core team members of the project. MarketMakers (currently in its third phase until May 2023) is a project implemented under the Swiss Cooperation Strategy in BiH by HELVETAS in consortium with Development Studio/Posao.ba (later Kolektiv). Initially planned for two four-year phases, it was extended to another two-year third phase to consolidate progress and scale system-level improvements.

The main objectives of MarketMakers are to improve access to gainful employment for young women and men in BiH, promote equal opportunities for women, ensure national outreach across all ethnic groups, and stimulate a conducive regulatory environment and support services. The total budget for MarketMakers is CHF 12,737,290.00.

The collected information revealed that the MarketMakers project's first phase was turbulent, while the second phase was prevalently stabilisation phase when the performance increased. In the third phase, the project was set up better and thus able to perform efficiently. The cross-cutting findings from the project's three phases highlight several key areas to consider in managing projects in the future.

- Targeted Communication improves the visibility and recognition of projects and their partners.
- Steering committees and advisory boards can support projects in taking strategic decisions if set up correctly.
- Applying the Market Systems Development (MSD) approach usually takes time. Expectation management amongst involved stakeholders is therefore crucial.
- Pre-selection of the Regional Development Agencies (RDAs) as co-facilitators proved to be a challenge. Although the reasoning for selecting RDAs as co-facilitators is understandable, competition is eliminated; thus, the motivation to provide high-quality contributions to the project declines.
- Unclear agreements on distributing roles and responsibilities among consortium partners and not appointing one organisation as a clear consortium lead can spur internal discussions and inefficiencies in project management.
- Insufficient integration of project staff into HELVETAS hinders the identification with the organisation and leads to unmotivated and uncommitted staff. Communicating frequently and transparently towards staff is relevant and supports retaining staff until the end of the project.

Finding the right local partner(s) is a major challenge for every project. In the case of MarketMakers, HELVETAS had notable experience in the country after the project was setup and only then built up its presence in BiH. Unnecessary discussions due to unclear consortium agreements, working in rigid and non-dynamic sectors, co-facilitators who did not consistently deliver quality work, etc., led to the slower implementation of activities and could have (at least partially) been avoided if more contextual knowledge had been collected before the project started. Overall, MarketMakers was a well-conceptualised project with an unsatisfactory operationalisation during its first phase. Nevertheless, MarketMakers continuously learned from the challenges and adjusted its strategy and management style accordingly, gradually increasing performance.

Table of Contents

1. Introduction to the CapEx	4
2. Context	6
3. Project Overview	7
4. Findings from the Desk Research	9
5. Findings	13
6. Overall Findings and Conclusion	16
7. Annex	18

List of Abbreviations

BiH	Bosnia and Herzegovina
BPO	Business Process Outsourcing
HO	Head Office
MarketMakers	Making markets work for the new generation in Bosnia and Herzegovina
MRM	Monitoring and Results Measurement
MSD	Market Systems Development
PIU	Project Implementation Unit
PSD	Private Sector Development
RDA	Regional Development Agency
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SERDA	Sarajevo Economic Region Development Agency
ToC	Theory of Change

1. Introduction to the CapEx

The capitalisation of experience (CapEx) is a procedure to formalise the knowledge gained throughout a specific challenge or undertaking and to transform these experiences into learning for the future¹. The CapEx entails findings from desk research and interviews conducted throughout March 2023 and presents the main findings in a manner suitable for other projects to learn from the experiences accumulated over the project's lifespan.

1.1. Reason and Objectives for the MarketMakers CapEx

Capitalising on the experience gained from implementing a 10-year project with a budget of over 12MM CHF can be extremely valuable for an organisation (and donors, or both) to learn from previous successes and challenges when designing or implementing future projects. HELVETAS implements similar Private Sector Development (PSD) projects in various parts of the world, of which many tackle equivalent issues. After discussions with the "Making markets work for the new generation in Bosnia and Herzegovina" (MarketMakers) team, it became clear that the project's technical achievements are only of secondary interest for this CapEx as they are already well documented in project documents, the end-of-phase reports, and the reviews conducted throughout the project's lifespan. Of higher relevance is the management of such a project in a fast-changing, global environment influenced by often unpredictable factors such as flooding, pandemic, Russia's war in Ukraine, inflation etc. Difficulties in collaboration with local partners, high staff turnover, miscommunication, and adjustments to the local context are additional (internal) challenges that most, if not all, development projects need to deal with. Navigating a project through these challenges while remaining committed to the set (long-term) targets is extremely difficult and requires flexibility and agility to adjust to new realities continually. Not only projects in BiH but in many other developing countries deal with similar internal and external challenges and should therefore profit from the experiences of the MarketMakers project.

The following are the main objectives of this CapEx:

- Ensure accessibility to the knowledge generated by the project to improve the transfer of knowledge
- Obtain evidence through content analysis, building on existing knowledge and experience of MarketMakers
- Promote the transfer of knowledge and results to boost performance and delivery of other (HELVETAS) development projects
- Raising awareness and supporting communication and dissemination of knowledge products towards the internal and external networks in Switzerland, such as HELVETAS internal staff (Advisory Services, PSD Project Managers) but also interested people from SDC.

1.2. Methodology

A mixed method approach of collecting secondary and primary data was chosen to collect the necessary data.

1.2.1. Secondary Data

Throughout its 10-year lifespan, the project produced many documents, which were shared and analysed to understand better the evolution, methods and achievements of the project in the last

¹ SDC «Learning & Networking» (L&N) paper on Experience Capitalisation

decade. The findings of the desk research are presented in Chapter 5, and the main documents reviewed were:

- Project Proposal
- Project Documents (Phase 1 – 3)
- End-of-Phase Reports (Phase 1 & 2)
- Annual Reports
- Mid-Term Review (Phase 2)

1.2.2. Primary Data

To complement the secondary data, primary data was collected in two ways. The main findings can be found in Chapter 6.

- Semi-structured key informant interviews were conducted in Sarajevo in mid-March 2023. The list of interviews conducted can be found in Annexe 9.2. The focus was laid on individuals who directly worked with the project (not beneficiaries, as MarketMakers worked through partners only) to obtain as much information as possible on how the project and its main partners (Kolektiv, Embassy of Switzerland, RDAs) dealt with the various challenges.
- After the preliminary draft of the report was composed, and the interview data were collected, an online workshop was conducted. This served the purpose of verifying the collected data and closing remaining knowledge gaps by including and learning from the subject matter experts involved in the project implementation. The workshop was conducted collaboratively, using the online tool “Miro board”, on 13 April 2023. Additional data on the outcomes can be found in Annex 9.3.

2. Context

2.1. Country Overview

BiH is a country on the Western Balkan peninsula, inhabited by roughly 3.5 Mio people. The political structure is very complex and was implemented with the Dayton Peace Accord in 1995 to end the Bosnian war. The country is regionally divided into two main entities, the Republika Srpska and the Federation of Bosnia and Herzegovina, and a third unit, the Brčko District (Figure 1²). The country's presidency, however, is formed through a three-member body representing the largest ethnic groups in the country (Bosniaks, Serbs and Croats). This structure increases coordination efforts (also for development work) because each entity has its state ministries and agencies. Due to the different designs of the federalist system and the Republika Srpska centralised system, government entities are often not at the same level (hierarchically), making communication and legislative alignments difficult.



Figure 1: Map of Bosnia and Herzegovina (Source: researchgate.net)

2.2. Economic Situation

According to the World Bank³, BiH's economy grew fast in 2021 at a rate of 7.5%, after a negative performance in 2020 (due to Covid-19). This massive increase, however, is interpreted as the bounce-back effect from the pandemic. The BiH economy is expected to grow at about 3 – 4 per cent per annum in the following years. With an inflation rate of 14% in 2022, economic growth might be unable to compensate for the loss of purchasing power through high inflation. Foreign Direct Investments (FDI) are stagnating since 2019 and are not expected to increase significantly in the coming years. The unemployment rate is slowly decreasing. The country's economy, however, is mainly driven by private consumption and, therefore, is very prone to crises. In addition, BiH struggles with Brain Drain, social tensions along the ethnic divisions of the country's population and high corruption (Rank 110/180⁴), which hinder its economic development.

2.2.1. Main Economic Sectors and MarketMakers Sector Selection

During its inception phase, MarketMakers conducted several studies to analyse the BiH market and identify the sectors where the MSD approach could have the most significant impact regarding growth potential and its relevance to the economy and young women and men as job seekers. BiH's leading economic sectors – Tourism, Wood, Textile and Metal Industry, Insurance, ICT and Agricultural – were observed closely based on this analysis. Consequently, MarketMakers focused on the Tourism and ICT sector and Agriculture with Food Production and Processing in the first phase. In addition, the "Tradeable services" sector was included, as it was found that there is an apparent lack of business support providers or Business Process Outsourcing (BPO) services. Later on, the sectorial focus shifted. Agriculture was discontinued, and the project included Freelancing in the third phase.

² [General location map of Bosnia-Herzegovina, showing the IEBL and major... | Download Scientific Diagram \(researchgate.net\)](#)

³ WorldBank: Social Protection for Recovery – Europe and Central Asia Economic Update. Office of the Chief Economist. Fall 2022.

⁴ [2021 Corruption Perceptions Index - Explore Bosnia... - Transparency.org](#)

3. Project Overview

MarketMakers was implemented initially under the Economy and Employment Domain of the Swiss Cooperation Strategy 2013-2016, through which the Swiss Agency for Development and Cooperation (SDC) and the Swiss State Secretariat for Economic Affairs (SECO) seek to enhance framework conditions for doing business and to support the private sector's development towards good performance and competitiveness. A key objective of the two agencies' engagement under this domain is the **contribution to employment opportunities for young women and men in BiH**.

HELVETAS, in consortium with Development Studio/Posao.ba (a leading private company for the youth employment market in BiH, which later partnered with "Kolektiv"), won the tender procedure for the MarketMakers project. Initially, the consortium pre-selected RDAs as exclusive co-facilitators to strengthen local ownership and an existing local development actor system. The country's regional development agencies were initially established with the support of the EU as associations of cities and municipalities to improve regional cooperation, enhance economic growth and create new employment. There are four functioning regional development agencies, primarily engaged in strengthening the Technical Vocational Education and Training (TVET) landscape and providing training. The RDAs were set up all over the Western Balkans as part of the countries' EU accession plans, though even within BiHs, RDAs differ in terms of legal statuses, consistency and predictability of both core and implementation funding, and have diverse (often ad hoc) sources of income. For these reasons, it is difficult to position them "outside" or "within" the market – in MSD terms – they are part system players, part facilitators. In the case of MarketMakers, the project asked the RDAs to begin stepping away from providing direct support to businesses while encouraging other private and public actors (system-level players) to assume these roles.

MarketMakers was initially foreseen to last for two four-year phases but was extended for an additional two-year phase by invitation of the Embassy of Switzerland in BiH to consolidate the project focus and build upon the progress of a smaller sub-set of its more successful interventions and to scale or further scale system-level improvements and innovations instigated in its second phase.

The main objectives / strategic direction of MarketMakers are:

- Beneficiaries are young women and men in BiH, aged between 15 and 30 years, seeking employment (estimated at 571'000).
- MarketMakers promotes equal and fair chances to access gainful and decent employment by both young women and men (50% of jobs created as a result of interventions to be filled by women).
- National outreach and including all ethnic groups. During implementation, market development initiatives are conducted in all three political entities (FBH, RS and Brčko), thus ensuring a balance between different entities. However, interventions in one entity will follow a crowding-in strategy whereby their impact is expected to exceed one entity.
- The goal is to contribute to improved access to decent job opportunities for at least 4,000 young women and men in BiH, of which 50% are women.
- Aspired, leveraged private sector investments of CHF 6.9 million and economic growth in at least three markets with job creation potential and relevance, particularly for young people.
- Focus of interventions is on the stimulation of a market-specific and conducive regulatory environment and support services to achieve large-scale outreach and sustainable impact.

MarketMakers was implemented during the following time frames, with a total budget of **CHF 12'737'290**.

Inception Phase	October 2012 – April 2013	CHF 576,000
Phase 1	May 2013 – April 2017	CHF 4,451,400
Phase 2	June 2017 – May 2021	CHF 5,525,868
Phase 3	June 2021 – May 2023	CHF 2,184,022

3.1. Theory of Change

The theory of change (ToC) remained consistent throughout all three project phases, which is necessary for the project to succeed in consolidating and building further upon the successes of its previous phases. However, it also speaks to the continued relevance of MarketMakers as a project and the continued relevance of its approach. Although the tender document was referring to a results chain rather than a ToC, it can be described as the following:

Improving the responsiveness and adaptability of the various sectoral and non-sectoral systems that support private sector growth, entrepreneurship, and independent economic activity, will support the creation of employment opportunities and thus meet the demand for economic development initiatives able to create a sustained benefit for the young people of BiH.

The following graphic further visualises the ToC alongside the two main components.

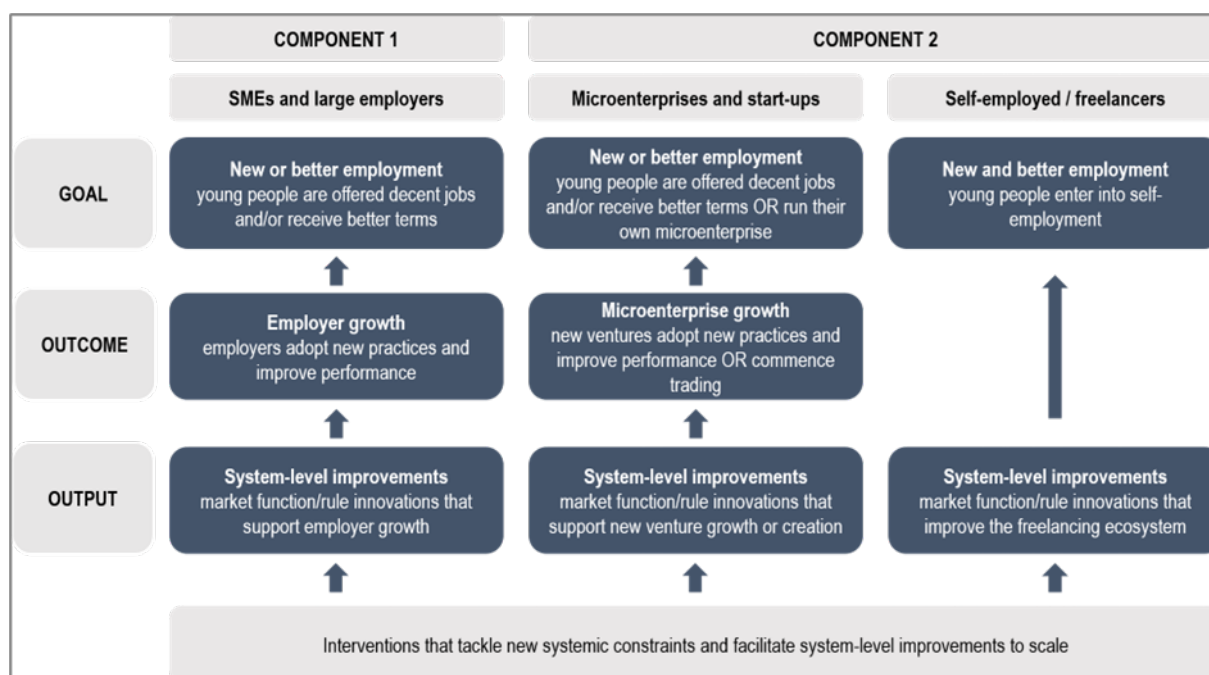


Figure 2: Theory of Change

4. Findings from the Desk Research

The following chapter presents each phase separately and highlights findings identified in the desk research.

4.1. Phase 1: May 2013 – April 2017

In the first phase, MarketMakers was operating along the following overall goal, outcomes and outputs in the four selected sectors (Food Production and Processing, IT, Tourism and Tradeable Services - “business process outsourcing”).

Goal	Improved access to gainful and decent job opportunities for young women and men (Target: 4'000 – 5'000 jobs created)
Outcomes (OC) <i>(Project Objective, Purpose)</i>	OC: The private sector in supported markets expands and invests in job creation

4.1.1. Technical Take-Aways

In the first phase, MarketMakers partnered with the RDAs as the exclusive co-facilitators to foster the development of local ownership and build the project’s success on local initiatives. However, the RDAs were not always the best choice of partners, and it turned out that the pre-selection of partners reduced competition and the quality of services provided to the project. Also, the sectors differed significantly in terms of opportunities to create new jobs, with the required efforts per job created varying across sectors (see footnote)⁵.

- One of the main insights from the first phase is the importance of well-established networks in the country and chosen sectors and a deep understanding of the relevant local stakeholders. If the partners, their capacities and agendas are known, the project can operate more efficiently. This is not only relevant for the project’s activities but also for the sectoral stakeholders.
- Donor coordination is another crucial element. Uncoordinated donor activities can undermine one’s own and have an adverse effect on results.
- Long-term aspects and sustainability of the established/supported structures must be considered from day one. To support systemic change, the economic sustainability of the interventions is critical.
- The train-the-trainer method was identified as a relevant tool: RDAs were trained in MSD and re-deployed acquired knowledge elsewhere with their resources, reducing the project’s financial pressure.

4.1.2. Project Management Take-Aways

- Project managers and sector leaders changed on various occasions and for multiple reasons. Handovers were poorly organised, leading to a loss of accumulated knowledge and slowing down progress.
- Roles and responsibilities were sometimes unclear and created confusion amongst partners (internal and external) and thus impacted decision-making and caused (avoidable) delays.
- Tensions with consortium partners led to delays in implementation.
- The monitoring and results measurement (MRM) position was only fully allocated to a new staff member beginning phase 2. Initially, it was the deputy project manager’s responsibility who could

⁵- Food Production and Processing (FPP) (379 jobs / 1'124 CHF per job)
 - ICT (908 jobs / 803 CHF per job)
 - Tourism (296 jobs / 1'660 CHF per job)
 - Tradeable Services (64 jobs / 4'453 CHF per job)

not fulfil this task with the available resources and capacities, thus making the target-oriented steering of the project difficult.

- Despite these disruptions and challenges, the project eventually stabilised and adjusted to the MSD approach by integrating and strengthening local partners.

4.2. Phase 2: June 2017 – May 2021

In the second phase, MarketMakers was operating along the following goal, outcomes and outputs.

Goal	Young women and men are integrated into and profit from the labour market through their realisation of additional employment (route 1) and self-employment (route 2) opportunities (Target: 2'500 young people, 1'000 of which women and 220 excluded based on their identity)
Outcomes (OC) leading to the goal	Employers grow and/or invest in growth opportunities (route 1), creating vacancies for young women and men.
	Individuals invest in self-employment and new ventures (route 2)
	Socially purposeful enterprises grow or establish themselves and/or existing employers improve internal practices and procedures (routes 1 and 2), expediting the inclusion of socially excluded groups in the labour market.

4.2.1. Technical Take-Aways

While the initial phase had a broader emphasis on job creation, the subsequent phase of the project narrowed its focus to prioritise the growth of socially excluded people, vulnerable groups, and particularly employers, aligning with the employers' socially purposeful objectives. Consequently, this shift made it more challenging to effectively target the intended beneficiary groups. However, the strategic focus and the ToC did not change.

In total, the project outputs led to the mobilisation of approx. CHF 4.5 million in investments attributable to employers' growth, which is 73% above the initial target of CHF 2.6 million, whilst 437 businesses of different sizes experienced revenue growth due to adopting new or improved business practices as a direct consequence of project outputs. Other noteworthy changes/challenges are the following:

- **Covid-19 Pandemic**

With one of the target sectors being Tourism, the effect on the project was very high. The COVID-19 crisis has exacerbated many of the underlying social issues and inequality and slowed down, or sometimes reversed, progress achieved in terms of gender equality and social inclusion at the level of the economy. Nevertheless, the project quickly adjusted to the new circumstances and continued its operations throughout the pandemic.

- **Change in Project Approach**

MarketMakers changed its approach and priorities related to entrepreneurship, focusing on a broader spectrum of new entrants deemed more inclusive for low-skilled people, women and disadvantaged groups rather than on the more investment-intensive high-tech start-up space. As a downside of this change, partners' co-investments in creating project outputs were slightly below the target (80%), which was caused by the project's decision to focus on freelancing, self-employment, and entrepreneurship in the craft and artisans' sector, as well as its choice to partner with system players that provide services to smaller (non-resource rich) new entrants.

4.2.2. Project Management Take-Aways

- The creation of the co-facilitator roster formalised the collaboration of the project with the RDAs initiated in phase 1. It opened it to a more significant number of co-facilitators, thus increasing the competition and the quality of service provision.

- The project, in agreement with the donor, included additional logframe indicators, which supported the continuous communication of achieved results in more detail (whereas the other indicators only allowed a complete target comparison at the end of the phase).
- In total, ten new staff were hired, five replacements and five newly created roles at no additional cost made by savings from the overall project budget. This response was prompted by the high demand for additional human resources and expertise that arose from Phase 1.
- The additional personnel allowed the project to redistribute roles. Senior staff entirely took on the managerial and strategic tasks and guided the project, while technical experts could focus on their operational functions. The reorganisation also allowed the introduction of proper HR tools (annual performance assessments, career development, training needs etc.), therefore retaining existing staff and increasing the project's attractiveness as an employer.
- Communication was another vital tool providing advantages, which MarketMakers only now increasingly made use of. The project commenced with raising awareness about its success stories (young people becoming more competitive and sought after on the market after attending skills training). This increased the project's visibility and encouraged others to apply similar methods.

4.3. Phase 3: June 2021 – May 2023

In the third and last phase (2.2 Mio CHF), MarketMakers ToC remained entirely consistent with its first and second phases. The reasons for that are the success of the second phase and the interlinked need to continue the project activities to scale its impact further, but also because there is still significant demand in BiH for economic development. Therefore, the strategic approach of MarketMakers' Phase 3 represents a natural progression of its strategic direction from the second phase. The Project re-affirms its commitment to following the MSD approach, developing new partnerships and initiating new activities to 'crowd-in' new system-level players around innovations previously introduced.

Goal	To improve the long-term participation of young women and men in the labour market by increasing their employability and/or realising new and better employment or entrepreneurial opportunities.
Outcomes (OC) leading to the goal	Employment: To increase employer (private sector company) competitiveness and their sustained adoption of new/improved growth-oriented practices
	Entrepreneurship: To increase new venture (sole proprietorship, small business start-up) competitiveness through new/improved practices and support the creation of new ventures through barriers to trading being overcome.

4.3.1. Take-Aways

Describing the main takeaways at this stage is still tricky, as the project's third phase is ongoing, and therefore the final reports are not yet handed in and available as a resource. Nevertheless, the available documentation mentioned a few relevant takeaways which reflect the project's activities in the previous two years.

- There are signs of the project's influence on a systemic level in various sectors (where it was active). For example, Sarajevo Canton introduced specific training-into-employment subsidies in the IT sector, and studies show the influence of the project-supported alliance "Bit-Alliance". In the BPO sector, Sarajevo Canton subsidised the programmes for the BPO industry (re)-training, and other training opportunities are emerging in the two sectors in the form of company academies where the train the trainer model is applied and therefore supporting companies' staff, but also their peers.
- The MarketMakers project demonstrates a realistic understanding of its impact and acknowledges the effort required to achieve a crowding-in effect. It also recognises the importance of trial and error in pilot interventions as a means to identify the appropriate entry points.

-
- The evidence-informed capitalisation of knowledge and sharing of the project's learning and experiences to different 'development industry' audiences in BiH, Switzerland, and beyond constitutes a new strategic priority for Phase 3. "What worked, did not work, and why?"
 - To measure the success and sustainability of the project with an Ex-post Sustainability Review study. SDC committed to tender a consultancy for capturing the project's long-term effects three years after the project has closed, i.e. in 2026.

4.4. Desk Research Conclusion

MarketMakers had to deal with various external and internal problems throughout its whole lifespan. It started with the country's major flooding in 2014, which heavily absorbed the project's resources. In addition, the project struggled with, at times, high staff turnover (also at the project manager level), the Covid-19 pandemic, the Russian invasion of Ukraine, and its global implications of inflation and related uncertainties. Although MarketMakers will exceed most, if not all, logframe targets and, therefore, close as a successful project, it had difficulties achieving its targets in the first phase due to over-ambition on impact level and under-staffing of the PIU.

The increase in performance (even during the pandemic) reflects the project's (and organisation's) ability to learn and adapt by establishing sectoral expert working groups to increase advisory capacities.

(Swiss) Government-funded projects are usually long-term (10 – 12 years) and are planned one or two years before implementation starts. Although these long-term projects can significantly impact and sustainably change local structures and systems, there is a clear need for increased awareness of the fast-changing contexts these projects operate in, which usually requires multiple adjustments to new realities. On the other hand, MSD projects are often pushed to achieve results in the respective four-year phases to justify the allocated budget towards the Swiss taxpayers and support crowding-in by attracting other market actors to join in. Although understandable, this push makes it more challenging to achieve results at the system level, which by its nature is a long-term undertaking and where notable results usually start showing only after a couple of years. This is in misalignment with the modus operandi, where the systemic approach seems to be perceived as favourable. However, short-term results are expected, nevertheless.

Pragmatic decision-making in the advisory board, supplemented by the expert working groups introduced in Phase 3, and a good understanding of the local context is highly relevant for a project to unfold its full potential. MarketMakers' case shows that only once the project team was reinforced with additional staff members, proper HR and management processes were implemented, and enough up-to-date data was collected; the project stabilised and increased its productivity. Interestingly, the project hired five additional staff within its predefined budget, demonstrating that it can adapt to new circumstances, even with fixed budget lines.

5. Findings

Similar to the information obtained from the desk research, the interviews and the workshop revealed that the first phase of the MarketMakers was turbulent, the second phase was mostly when the stabilisation happened, and the performance increased. In the third phase, the project was set up better and thus able to perform efficiently. The following chapter presents the findings from the collected primary data, structured according to the project's three phases.

5.1. Phase 1

The staff turnover during the project's first phase reduced the number of people with the project from the beginning and could provide information about occurrences during this period. However, all respondents (including those who joined the project only later) were clear that there was not one reason but several issues contributing to this rather turbulent and less-successful first phase of MarketMakers. The main challenges, which were named repeatedly, are listed in the following order:

Finding	Description
Missing Data / MRM	There needed to be more baseline data and a capable MRM focal point (MRM was under the responsibility of the deputy project manager). Studies conducted in the inception phase needed to be done better to provide evidence for in-time decision-making and targeted actions. The lack of proper MRM methodology also burdened the co-facilitators, who had to collect data repetitively and unproductively.
(Preselected) Co-facilitators	The decision to exclusively select the RDAs as co-facilitators did not allow the local market to work effectively as they did not have to provide the project with the best quality or most competitive services. This perception was not shared by the RDAs itself, which on the contrary, would have wished for an even stronger institutionalisation of MarketMakers' actions. The RDAs did not allocate their most capable staff to the project as their salaries were covered by the contract with MarketMakers regardless.
Consortium Partners	<ul style="list-style-type: none"> The tasks and responsibilities of the two consortium partners' representatives were not distinctly divided. This resulted in tensions between project manager(s) (directors in later phases) employed by HELVETAS and Kolektiv. As a result, the consortium agreement had to be redrafted (repeatedly) in a firmer manner to assign roles and responsibilities within the PIU clearly. In retrospect, implementing and communicating with the donors through one lead agency would have been easier. Kolektiv was a small local recruiting agency – later, they were acquired by a large multinational and evolved into a more vital partner. The addressed imbalance in the consortium was, therefore, not foreseeable. MarketMakers (and HELVETAS) did not fully understand the local context at the time, which was reflected in the initial (not complete enough) consortium agreement. HELVETAS did not have any concrete alternatives at the time of writing the project proposal and did not yet know its way around BiH.
Context Knowledge / HO-Backstopping	MarketMakers was the first MSD project funded by SDC in BiH and, therefore, initially received much attention (and pressure). The missing contextual knowledge could not fully be compensated with the data collection in the inception phase, partially because the data quality was not good enough. Although the project received substantial support from the HO (backstopping, temporary Team Leader, temporary additional project staff), backstoppers needed more specific contextual knowledge, leading to inefficient support. This also affected the PIU, who felt disconnected from the HO and, at times, opted to refrain from investing time in backstoppers as it would have been too time intensive for the PIU to bring them up to date.

These challenges cumulated so that a downward spiral was set in motion. Miscommunication within the consortium, lack of context knowledge and inefficient co-facilitators led to misunderstandings, high workload and slow progress, again leading to frustration and an unusually high staff turnover. This led to losing know-how and increased pressure on the remaining team members. As a result, this situation created the feeling that the team did not have enough staff to handle the project's activities (a concern which was mentioned several times during interviews).

MarketMakers, at the time, was one of SDC's first MSD projects in BiH, and its systemic approach was still more or less unknown to the involved stakeholders. Although initially, it seemed understood that no quick results could be expected (strengthening local ownership and system takes time as capacities need to be developed first), a palpable pressure to present results trickled down to the project staff. People outside the PIU perceived MarketMakers as preoccupied with itself throughout the first phase, which was becoming sort of an extended-inception phase.

5.2. Phase 2

Despite the challenges of the first phase, SDC awarded the consortium with the second phase of MarketMakers, in which the project undertook a couple of major changes. The end of the first phase and the first two years of the second phase stabilised the project and narrowed its activities by adjusting the strategy and integrating changes in the project management. Although the project's performance improved (most indicators on the outcome and output level were exceeded), the overall costs per job created did not decrease compared to phase 1.

The main challenges and takeaways indicated repeatedly are listed as follows:

Finding	Description
Strategic Changes	<ul style="list-style-type: none"> • In the second phase, the project changed its strategic focus in multiple ways. One of the major changes was the enlargement of the selection of co-facilitators. As mentioned, MarketMakers was limited to working with RDAs only. Opening the floor to 17 organisations allowed MarketMakers to select from a more extensive range of service providers and increase competition amongst the RDAs. This resulted in better service provision and a broader building of local ownership. On the downside, this resulted in an additional workload for the sector leaders because the RDAs no longer provided full support. They supported the project based on their contracts from individual public calls only. • The project furthermore proposed to the donor to pull out of the agricultural sector (Food Production and Processing), as they realised that their job creation potential in this sector is limited and, if redirected, their resources could achieve a more significant impact in other sectors. • The project narrowed its strategic focus.
Project Staff	<ul style="list-style-type: none"> • When the preselected RDAs were not exclusive co-facilitators anymore – but the project still had the same overall targets – the need to increase the staff grew significantly. Hiring additional staff (five project coordinators) was a natural development to cope with the extra workload and meet the (high) expectations towards consortium partners and the donor. Although this was generally perceived as a relief, it also increased the (momentary) pressure on the sector leaders, who were responsible for training the inexperienced project coordinators. MarketMakers managed to hire the additional staff without increased cost to the donor, made from savings on the budget parts not allocated for development activities and investments. • The project hired an MRM expert to address one of the significant shortcomings of the project. This move reduced tension within the consortium, and on the other side, it allowed for a more professional approach towards MRM, which resulted in a better, faster and more evidence-based decision-making process. The joint leadership of the project further

	<p>supported the stabilisation as roles were clearly defined, and the technical director could focus on empowering the local staff and passing on the MSD knowledge. In contrast, the operations director was able to direct attention to the PIU's HR needs and the management of the donor relationship.</p> <ul style="list-style-type: none"> The team was very polarised and unmotivated from the first phase, which hindered the project's effective management and performance. The project introduced structured performance reviews, which allowed for evidence-based management. Therefore, the turnover of the existing staff in the second phase was a necessary step towards stabilising the project. On the downside, the labour market in BiH lacked the experts MarketMakers needed; therefore, much effort was required for training and onboarding new staff.
Reaction from HO / Definition of Roles and Responsibilities	<ul style="list-style-type: none"> HO reacted to the difficulties in the first phase and seconded international staff to stabilise the project management until a more permanent solution was found, eventually bringing stability to the team and allowing the project to focus on its activities. Redefining the roles and responsibilities of the project management team was another step towards better communication between consortium partners. The more permanent solution for leadership was found through onboarding technical and operations directors. In addition, quarterly consortium portfolio reviews were introduced and helped with the communication and strategic alignment of the consortium towards the project team. Administratively, the project team was not fully integrated into the HELVETAS organisation during its first phase. This only occurred in the second phase and significantly impacted the staff identifying themselves with the organisation and therefore taking ownership.

5.3. Phase 3

The fact that there was a third (and last) phase of MarketMakers already says a lot. Initially, the project was foreseen to last for two 4-year phases. The third phase was commissioned due to the increase in performance during its second phase and because MarketMakers interventions proved to have a positive impact. The third phase has yet to be concluded and cannot be analysed thoroughly. However, it was clear that there were no significant changes compared to those initiated in the second phase (based on the learnings from the first phase). The project focused on and dealt with the following points:

Finding	Description
Continuation	The project successfully built upon phase two, perceived as a great continuation of and support to the systemic approach.
Transparent and Timely Communication	<p>As it was clear that the third phase would be the last one, the project management engaged the staff with this topic from the beginning of the final phase. This included clear communication regarding the opportunities and benefits of staying with the project until the end. This was key to retaining people until the project's end and securing a proper completion. Staff were offered the following benefits when staying with the project until the end:</p> <ul style="list-style-type: none"> loyalty bonus' for those who remain until the end of the project external support to transition into new employment after the project ends the possibility to take on additional responsibilities and attend relevant training to develop necessary skills before transitioning into new employment.
Staff Retention & Continuation of Operations	<ul style="list-style-type: none"> Upon the completion of the project, MarketMakers is confident in providing highly qualified individuals to the local labour market, thereby indirectly contributing to its development.

6. Overall Findings and Conclusion

6.1. Overall Findings

This chapter gathers the primary and secondary data collection findings and presents the relevant takeaways, which can also be applied in other contexts.

- **Stronger PR / Marketing:** MarketMakers did not market its activities (and those of its partners) well and should have invested more in its visibility. To attract other partners and establish a recognised quality level, a more robust PR strategy could have helped.
- **Strategic adjustments:**
 - In phase 1, MarketMakers had a steering committee supporting the project with strategic decisions (with authority to give directives and to make decisions). In contrast, in phases 2 and 3, it had an advisory board, and neither of the bodies was regarded as beneficial. From an outside perspective, a more pragmatic approach by these bodies would have been desirable to secure the turnaround of the initially underperforming project at an earlier stage.
 - The decision to discontinue activities in certain sectors (agriculture first, tourism later) was a strategic decision based on evidence collected throughout project implementation. In addition, Covid-19 affected the tourism sector, forcing the project to adjust to new realities. Strategic adjustments are necessary to cope with changing circumstances and to remain effective.
- **MSD Approach:** When the project started in 2013, the MSD approach was new to SDC in BiH, RDAs as co-facilitators, and Kolektiv as a consortium partner. Issues in communication, roles, and responsibilities occurred, as matters and strategies might not have been understood in the same way by all stakeholders. In retrospect, this should have been anticipated.
- **Pre-selection of partners:** The pre-selection of stakeholders (or, in this case, co-facilitators) led to lower quality and motivation amongst the co-facilitators. In addition, this approach excludes other, possibly more innovative local partners from partnering with the project.
- **Roles and Responsibilities:** A precise distribution of roles and responsibilities between consortium partners and co-facilitators is crucial for proper steering and managing the project and for donor communication.
- **Human Resources:**
 - Additional staff can relieve overwhelmed project staff. MarketMakers demonstrated flexibility with tight budgets by hiring five project coordinators. Despite their initial lack of experience and young age, the trainees proved to be a cost-effective resource. Over time, some developed into valuable core staff members and significantly contributed to the project's success in meeting its targets. Unsatisfied and overworked staff are not motivated and might leave the project with their valuable knowledge. Integrating new staff brings challenges as often experts are not easy to find in the local labour market, and existing staff need to invest much time into training the newcomers.
 - Once the project staff gained access to the “HO” services, their perception of the organisation and how they identified themselves with HELVETAS changed. To maintain the expected high level of quality, it is crucial to fully integrate project staff and train them (on topics relevant and necessary) – this will keep employee satisfaction and motivation high.
 - Communicating transparently and early about the project's closing process and incentives for the staff who decide to stay until the project ends proved an excellent choice by MarketMakers management.

- **Context**

- It is crucial that HELVETAS invests, where necessary, in acquiring knowledge about a specific context before becoming involved. This might increase costs; however, such an approach would allow MarketMakers to perform better and achieve a more substantial impact.
- Several studies and data collection efforts carried out during the inception phase were of questionable quality. As a result, they had to be repeated later to ensure proper evidence-based project steering. To ensure efficient and targeted project management and steering, the organisation must invest sufficient resources in collecting the necessary baseline data.

- **Backstopping / HO Support**

For HELVETAS as an organisation, assigning appropriate experts to projects and consistently enhancing their expertise is essential. This ensures optimal support for the projects in the most effective manner.

- **Donor relations**

Despite, at times, challenging relationships during the project duration, SDC proved to be a very reasonable and approachable counterpart. SDC was not opposed to suggested changes in the project's strategy (additional staff, changes in sectoral focus, changes in the selection of co-facilitators etc.) if they were evidence-based and supported the achievement of the project's overall goal.

6.2. Conclusion

In conclusion, it is important to acknowledge that hindsight is 20/20, and many unforeseen challenges, such as wars, pandemics, and natural disasters, could not have been anticipated. Each project is unique due to its thematic focus or the different contexts in which it operates. Nonetheless, this CapEx has provided valuable takeaways that can be incorporated into future projects to improve preparedness and streamline implementation processes.

That being said, every preventive measure requires an investment of some sort. The example of MarketMakers shows how important the understanding of the local context is, especially if systemic changes are the goal. Such projects, more than others, rely on local partners. In this case, additional (and particular) context knowledge before writing the project proposal was necessary.

It also needs to be highlighted that various unforeseen challenges affected the project and led to difficult periods, which could not have been prevented with more diligent preparatory work. Projects need to decide which findings are relevant to apply/transfer to their context and weigh the cost of the integration investment versus the outcome.

7. Annex

7.1. Source

- End of Phase 1 Report MarketMakers, 2017
- End of Phase 2 Report MarketMakers, 2021
- HELVETAS MMW4NG Technical Proposal, 2012
- ProDoc Phase 1 MarketMakers, 2013
- ProDoc Phase 2 MarketMakers, 2017
- ProDoc Phase 3 MarketMakers, 2021
- SDC «Learning & Networking» (L&N) paper on Experience Capitalization
- Mid-Term Review, 2020

7.2. List of Interviews

Name	Organisation	Date	Form	Comment
Nevzet Sefo	REDAH	14.03.2023	Virtual	RDA
Srecko Bogunović	EDA	14.03.2023	Virtual	Implementing Partner
Dinka Majanović	HELVETAS (MarketMakers)	14.03.2023	Virtual / Physical	Sector Leader
Željko Karanović	HELVETAS (MarketMakers)	14.03.2023	Virtual / Physical	Project Manager
Almir Tanović & Mersiha Alijagić	SDC	14.03.2023	Physical	PO and former PO
Dženana Handžar & Adis Baručija	HELVETAS (MarketMakers)	15.03.2023	Physical	Finance Manager & Project Coordinator
Nermana Ajanović	Kolektiv	15.03.2023	Physical	Consortium Representative & Technical Backstopper
Nikola Babić	HELVETAS Eastern Europe	19.04.2023	Virtual	Consortium Representative & Technical Backstopper

7.3. Workshop

Continue What helped us move forward?

Phase 2

Continue What helped us move forward?

Defining processes and procedures (internal and external)
Clear communication (Regarding to partnership / procurement management)
On time planning (Internal meetings, but also on consortium / HQ level)
Setting clear expectations and empowering the Team
Staffing the project in line with expectations and delivering high quality implementation in support of the project goals.

Stop What held us back?

Many small investments drained resources - possibly bigger achievements with fewer but bigger investments
Not enough support to team in investment design
Polarised and unmotivated Team
Difficult relationships internally and externally with the Donor

Phase 3

Continue What helped us move forward?

Defining processes and procedures
Clear communication
Continuation of practices established in Phase 2 and hiring of new staff to inject fresh ideas
Manage staff expectations from the beginning of the closing phase, including loyalty bonus for staying until the end of the project and offering external support to transition into new employment after the project ends.

Stop What held us back?

Lack of resources for MRM
Understanding of new staff of the implementation approach which caused delays in the design and subsequent implementation of activities
Did we hire the right people?

Discussion

Discussion Topics

- Project coordinators (support or burden). How to efficiently integrate new staff (in difficult circumstances (e.g. no hand over time)?
- Phase 3 (issues with staff leaving the project / how to prevent that and keep the operations going) etc.
- How to integrate project staff in HQ set-up / trainings, workshops, onboarding etc...
- "Mistakes" in consortium composition – What would have been easier from our (Helvetas) perspective?
- MSD approach in the balkans? (lack of training? / sufficient context knowledge of the Organization etc.)
- (lack of) technical support through HQ?
- Other?
- Draft Report / What is missing? What needs to be emphasized / highlighted in your opinion?
- ...

7.4. Interview Guide

Date:

Name:

Organisation:

Anonymous: Yes / No

Personal

- What's your impression of the project if you look at its whole lifespan?
- What were the biggest challenges for you during the project implementation?
- How could you have performed your job more efficiently?
- What is your impression of the project in general? Do you think it was successful?
- What are your main learnings from the project? / What is your takeaway for the future?
- What were the most significant achievements of the project, in your opinion, and why?
- What would you do differently if you would (have) led the project?
- How did you cope with staff turnover in Phase 1? / How did this affect your work?
- Do you think development projects are generally understaffed or was this due to a short-sighted initial proposal presented by HELVETAS?

Donor Relation

- How did you create five new positions and get the donors' approval in phase 2?
- Why did you not have a steering committee in the second and third phases but an advisory board "only"?
- Who initiated the change in the project approach? What did this mean strictly for you? (Evolution from PSE to include Skills Development) – what did this mean for the project?
- How was the relationship with the donors? What would have been necessary to improve them?
- Do you think donors need to be more flexible in adjusting to external challenges (natural disasters, pandemics, war etc.)?

Partners / Consortium

- How was the relationship with the partners? What would have been necessary to improve them?
- Who do you consider a partner?
- How were the partners selected initially?
- In your opinion, did you empower local ownership and if yes, how and why?
- Do you think you created a spill-over effect by showcasing success stories / best practices to your partners and other actors in the same field?
- How will the partners continue when you are gone?