

involved. Supervision from municipalities was generally poor due to a lack of human and technical capacity. REP staff usually supervised projects, even though the municipality had signed the contract.

REP staff regularly monitor the works, but no monitoring reports are filed, and no strategy is evident.

Inter-ethnic collaboration and understanding

While promotion of this is a programme objective, one cannot necessarily expect it to be a priority objective of project proponents and concept originators in their designs (see the question in the TOR), as they are primarily concerned about survival issues. However, the aggregate programme has achieved remarkable success in this field. The two component products, employment and infrastructure, have both contributed to this success, though in differing ways.

Many persons questioned named as a primary generator of interethnic understanding all activities that brought the different groups together in a common purpose. Among these were the mayors of Presevo and Bujanovac (the chief locations of inter-ethnic tension), municipal staff, Coordination Body (CB) members, project proponents, MZ leaders etc. REP projects that brought together large numbers of workers from different ethnic groups renewed the habit, interrupted by the conflicts, of collaborating in a working environment.

The value of this mechanism can hardly be overstated. Most citizens have wished for a return to normality which was hindered largely by fear. In providing income opportunities through common activities, fear of association has been overcome by survival concerns, and everyday contact re-established.

Secondly, bitterness over the perceived advantages of other ethnic groups diminishes as income-generating activities are available and the fear of deepening poverty subsides. However, this second mechanism lasts only as long as the income source.

The second mechanism is reduced in non-labour-intensive projects, for which reason the shift in project emphasis from the labour-intensive has been unfortunate, though understandable.

Data on ethnic mix are only available for the labour-intensive or 'community-implemented projects', for which an excellent survey was completed. For these projects, the survey shows the following.

26% of all sub-projects contained significantly mixed worker groups. The municipal breakdown says more: Presevo 19%, Bujanovac 21%, Medvedja 36%, Vranje 44%. In the seats of ethnic tension, the mix was lowest. The average is raised by Vranje, where a number of projects included Roma. This is excellent in a wider context, but did not specifically target the post-conflict reconciliation that was the starting point of the programme.

Unfortunately, no data are available for contractor-implemented sub-projects. These also, however, constituted a good mechanism of ethnic mixing. Contractors were obliged in their contractual conditions to employ local workers and ensure an equitable mixture. Considerations like contractor licenses (see elsewhere in text) were waived to allow Albanian contractors to take part, and good tendering practice allowed Albanian firms to win contracts to work in Serb villages, and Serb contractors in Albanian ones.

The effect of the provision of physical infrastructure is linked to the general presence and visibility of the International Community (IC) in breaking the perception that the region was under-prioritised and left to its own misery. For many years there were good grounds for this perception, which could have continued owing to generally low Serbian government budgets, if the Government of Serbia through the CB, together with the IC, had not made a special effort here.

As a result of the REP, most MZs in the affected municipalities has received at least one project, and many have received several. Existing municipal mechanisms would undoubtedly have used the same funds in a less equitable way, concentrating spending on urban issues and districts with over-average representation (usually the well-educated and therefore richer). In this regard, the selection mechanism that began by allowing the communities to propose their own projects has made a strong impact. In relieving justified frustrations, a large step is made in simply listening to the victim and showing that his opinion matters.

The actual infrastructure provided has little to do with this outcome, though it is of course beneficial in other ways.

Other confidence-building outcomes

Two years ago, there was a deep general mistrust between local and central government, between municipality and MZ, between citizens and MZ officials. This was not traditionally the case in the former Yugoslavia: although government tended to be a top-down affair, mistrust was built up in the Milosevic years to a hitherto unknown degree.

The REP decision to work through official structures has effectively reversed this development. MZ officials (who are elected) have again become meaningful representatives of their communities in the programme. MZ and municipality have cooperated. The municipalities have responsibly handled funds from REP, their own budgets and central government (the CB) in a way that is now inducing the CB to release funds with less intense control, and may soon be able to make more unspecified contributions to municipal budgets. As with multi-ethnic manual labour groups, it is the incentive of funds from outside that has induced cooperation on the allocation of domestic funds and started a virtuous circle.

Assess to what degree the SSMIRP and REP together contribute to strengthen institutional municipal capacity, and to what degree have public services become more efficient

Compared with SSMIRP, REP has had less opportunity to affect the capacity of municipal institutions. Its greatest contribution has been in accustoming municipal institutions, in this case the assembly executive board, to accept 'bottom-up' initiatives in considering proposals from the MZs. Interestingly, this procedure is a traditional aspect of Serbian local organisation which has fallen into disuse in the Milosevic years. The disuse of consultation was pointed out by many persons interviewed, especially in the villages. A typical comment was: "They would just come and tell us what they were going to do for us. We were never consulted and it never occurred to us to make proposals."

The programme has helped in reviving the mechanism, an excellent result in terms of strengthening the representative nature of government and thus of popular confidence in government. While consultative meetings did occur before, municipal leaders were apt to disregard remote and small MZs, as they were rarely able to put their case effectively. The programme staff often acted as their advocates, helping to overcome a tendency towards the use of funds in the larger population centres.

REP also engaged an experienced engineer in each municipality who was attached to the public works department. These departments in small municipalities are often sorely lacking in expertise, and the presence of this engineer helped integrate professional knowledge with practice of the new procedures.

The large volume of projects has exposed the capacity limits and competences of municipal staff. Indeed in Bujanovac Municipality staff have been reassigned and/or demoted due to poor performance as a result of the programme. The mayors have recognised that existing structures are inadequate and have designated specific commissions to deal with international donor organisations. This recognition must be taken as a solid programme achievement.

The project cycle workflow (see workflow in annex), as also referred to above, ensured that REP staff worked with the MZ leaders on each project until it was sufficiently well-formulated. They also consulted mayors to ensure acceptability at municipal level. Projects were occasionally refused here, e.g. when the municipality already had plans to implement them. The process of consultation and bringing the various actors together rejuvenated the cooperative procedure notably.

The mission finds that this emphasis on existing consultative structures supports democratic governance. Despite some advantages of other forms of project identification such as CHF's local fora, the emphasis here is on assisting democratically elected bodies to function in the citizen's interests. No members of these bodies (MZ meeting, municipal assembly or its executive board) have been appointed by outsiders or in ways that circumvent democratic procedure.

However, it remained unclear why the REP did not seek to use the same approval mechanism as the SSMIRP. SSMIRP's MDC (see under SSMIRP section and conclusions for fuller treatment) represents a widening of the approving authority that included representatives of MZs, Civil Society, the municipal assembly and specialists. As such, it runs less risk of reinforcing authoritarian habits by allowing the mayors to decide on their own without consultation. It is the MDC / MDF structure that is most promising for a future transparent development funding arrangement (see also conclusions). While REP's need for rapid action may have made a simpler mechanism easier in the beginning, a merger as the programme progressed would have been more in keeping with a strategic awareness of the capacity building element.

Further, REP did not use the MTU, but had a municipal "focal point" person, whose cooperation with the SSMIRP MTU differed from place to place. A more unified approach would have been helpful.

Secondly, the municipality (executive board supported by the technical services and the MTU) has been required to tender all infrastructure contracts under REP monitoring. This process has given municipal staff some familiarity with tendering methods that were first based on UN standards, later with a shift towards EU norms.

REP and SSMIRP together also provided some computer hardware and software for municipal administrations, and carried out considerable IT training.

The REP has supported one capacity-building training project, a "Small and Medium Size Contractor's Training Programme" implemented by IOM with a 30,000 USD budget. This was delivered in four locations (Bujanovac, Vranje, Leskovac and Lebane) for participants from 13 municipalities. The largest participant group was municipal employees dealing with REP tendering, contractors amounted to about 1/3 of the total and a few other businesses were also represented.

The training, that ran from December 2002 to April 2003, consisted of four modules: legal aspects; accounting; marketing and tendering; business planning and management. Each module was delivered by a different professor from Nis University.

Assessment of this course is difficult as no significant reports are at present available (a final report has been promised). No course-ending evaluation was made by participants, and no follow-up evaluation planned. REP staff and a participant interviewed expressed the opinion that it was "a bit academic". If so, this is regrettable – the subject lends itself well to a practical exercise-based approach, including interventions by successful local businessmen. The introduction of the public procurement act within municipalities should also have been of particular concern to local contractors and municipal agents alike.

Within the frame of the REP, review the extent of rehabilitation of basic infrastructure and of the environment, and the extent of temporary employment provided to the designated target population; assess the level of maintenance by the local population of the completed rehabilitation works; assess the relevance[off] time short-term employment

Extent of rehabilitation of basic infrastructure

The REP has not only rehabilitated existing infrastructure, but also provided new installations, such as village water supplies and sewerage. Total needs in terms of rehabilitation and provision to raise all communities to any given level are not possible to judge, and the extent to which REP has contributed is therefore also indeterminable.

Two comparisons can be made however, an impressionistic and a financial.

Several early REP projects consisted of cleaning watercourses and other public areas in villages and towns. The visual impact of this is considerable, and in some places has clearly brought about a shift in public attitudes to common spaces.

In a village provided with a REP water supply, the project represents a major contribution to solving pressing needs, as meetings with villagers confirmed.

A typical example in financial terms was provided by Mayor Halimi of Presevo. In 2002 UNDP figures show that REP provided approximately 770,000€ to projects in Presevo with a municipal contribution of approx. 335,000. Mr. Halimi explained that about 4/5 of the municipal contribution came from the Coordination Body (CB).

He stated that his municipal budget for 2002 was approximately 1.5 million Euro. This covered the municipal administration, schools, kindergartens, information, culture, sport etc., leaving some 150,000 – 200,000 € for infrastructure investment and maintenance, among which the contribution to REP.

It is clear that as a proportion of present investment, the REP contribution is considerable. It may also be noted that the CB provides its part of the matching funds on a project-by-project basis, and only when an agreement has been signed by REP. Had the REP not been implemented, it is unsure that these funds would have been forthcoming at all.

All this should be seen on the background of several lean years – municipal budgets from 1999 to 2001 had no excess to invest in or maintain infrastructure.

Considerable effort went into cooperation with other donors. Leverage of resources from other international donors such as CHF, SDC, OTI had a significant effect in increasing the possible level of infrastructure development.

Level of maintenance of the completed rehabilitation works (by the local population)

Serbia has a poor maintenance culture. One REP project visited in Presevo typifies it⁸ – major renovation works were carried out on a primary school that is said to be Serbia's largest (some 3,000 pupils). However, the visit revealed cleaning done exclusively by hosing down (even on whitewashed walls), open windows flapping in the wind on the way to destroy hinges and panes, and a brand new gym floor already needing the fourth repair due to water damage from leaking radiators.

How to change this culture is not evident. Some immediate recommendations can be made in terms of making buildings more maintenance-free (anchored window types) or projects more comprehensive (including radiator repair), but these would be short-term improvements.

It was reported that unsuccessful efforts had been made by the municipality to replace indolent cleaning staff, who are relatively protected at local level as they are hired by the ministry of education along with all school staff. Since school buildings are the responsibility of the municipality, it would be logical for the local administration to hire (and fire) those who maintain them. Such management deficiencies could be addressed indirectly through representation to the ministry, who may well see their advantage in a more logical employment arrangement even if this means changing existing legislation. A programme the size of the REP should be able to assist with such an approach to a central government institution, preferably through the RSC, CB or SCTMY by organising several municipalities in a common cause, supported by major donors.

Maintenance of cleaned rivers and other public spaces is varied. For example (of those observed), in Leskovac the municipality has taken the river banks into its maintenance programme and the space remains clean, as it does in Vranje; in Medvedja there was little evidence of rubbish in the river, although grass had again grown, slowing the flow; in Lebane, a market still uses the river as a dump; in Bujanovac the cleaning could hardly be recognised any more and in Oraovica (Presevo) the village centre was so messy with digging works that the feeling of a clean space did not exist to discourage citizens from throwing rubbish into the stream. In the latter case, the cleaning may have had more effect if done after the diggings were finished and a planned asphaltting completed.

It is notable that the poorer communities tend to be those with the worst maintenance traditions. This suggests that education is a major factor, and the REP could to its advantage commit funds to awareness campaigns on the subject.

⁸ Typical of Serbian maintenance culture, not typical of the REP projects which appear in general to have been well-designed.

Extent of temporary employment (provided to the target population)

With figures available at the time of writing, approximately 2.96 million USD (61% of a total budget of approx. 4.85 million USD including all contributions) had been provided to 5,970 workers and many small contractors in the four municipalities. REP's contribution has been approximately two-thirds of this, some 1.93 million of a total contribution of 3.2 million USD.

Relevance of short-term employment

All short-term workers interviewed expressed the opinion that the salaries provided had a great significance for their household economies.

Most found the salary rate of 1€ per hour satisfactory. (By comparison, textile workers in the region are often paid as little as 30 dinars (0.46€) per hour.)

The REP team carried out a survey of all employed workers that provides excellent information (see extract in annex). It shows that 72% were without employment, 46% were between the ages of 30 and 50, 66% were married, 89% were male and half lived from casual work. Summing this, the typical worker was an unemployed head of household in his best working age living from casual work. It is not surprising that most of the income from REP (89%) was used on domestic expenses.

The REP is a programme that has clearly achieved its objectives with every dollar disbursed in the labour component.

Furthermore, all disbursed funds, whether through direct employment or contractors, can be assumed to have a repeated relevance as the money is spent and re-spent in the local society. This multiplier effect is likely to be stronger the more the funds are disbursed directly in a distributed manner. The worker who takes home 8€ a day will typically spend it on food of local production, enriching local farmers. A large contract is more likely to concentrate funds that may then leave the region or country to pay for imported machinery or consumption.

Assess to what degree the SSMIRP and the REP together contributed to creating an environment propitious for economic recovery, including, among other, micro-economic development

Economic recovery depends on a number of factors, many of which can only indirectly be influenced at the local level in today's Serbia. These include levels of the major company taxation burdens (especially payroll taxes and social contributions), regulations that restrict a company's freedom of financial operation (reducing productivity without preventing tax evasion) and the lack of credit markets.

Factors susceptible to local influence are at present marginal compared with these, but are still worth tackling in anticipation of changes in the national factors. 'Local' factors include the provision by the municipality of appropriate property at reasonable prices and with good infrastructure, tax breaks on the relatively small taxes perceived by municipal authorities, an educated workforce and an understanding by employed and elected officials of the role of government in a market economy that will enable them to refrain from interfering inappropriately in private sector affairs.

Of these, REP has contributed to the infrastructure component, although most improvements have not been of a nature directed at industrial installations or zones. One significant exception referred to by the Mayor of Vranje was the installation of a new transformer station and power lines that serves a large area of town. For once, the municipality's contribution here was more than the REP's, but the two together constituted only 50% of the cost, the rest being borne by other donors.

REP's other influence on the economic environment has been the capacity building effects referred to above. Education and improving understanding of the market economy, principles of competition and the local government's role are important local factors that have in this way been partially addressed.

Assess which types of projects/sub-projects/their outputs have had a greater effect on contributing toward progress in consolidating peace; e.g. has human rights advocacy, employment and a steady income, or participation in decision-making had a greater impact in appeasing individual and/or group inter-ethnic enmities?

See common section of report.

Assess the degree to which the SSMIRP and the REP affect:

1) The immediate target beneficiaries -rural and urban poor unemployed, IDPs and refugees, youth and ex-combatants, social vulnerable groups, women and minorities within these categories, local government and municipal employees, local NGOs

(See also remarks above under 'Relevance of short-term employment'.)

The REP programme has not been set up in such a way as to differentiate its effects within all of these categories in any detail, and the income-provision effect is similar on all groups, e.g. youth and ex-combatants (according to the workers' survey, 18-20 year-olds constituted 17% of the workforce, ex-combatants only 5%). However, some comments can be made.

In answering the questionnaire, workers were afraid to reveal if they were ex-combatants. REP staff estimated that some 50 - 60% of Albanian workers (approx. 25% of the total workers) were ex-combatants.

REP staff expressed the opinion that it was very difficult to find sub-projects that targeted women, as very few were proposed. Women's employment was globally low, amounting to 11% of the total. This varied from 30% in Medvedja (thanks to one project) to 2% in Presevo, where cultural factors are determinant (figures again from the workers' survey).

Two exceptions stand out: Women Handicrafts Production in Medvedja (80 women), and Home assistance to elderly and disabled persons in Vranje (50 women).

If the REP or a similar programme is to go further towards meeting this objective, more women-oriented proposals should be elicited. This would require efforts in terms of awareness campaigns, especially in traditionally patriarchal communities. More efforts could perhaps be made in both programmes. Some SSMIRP/REP projects such as the sewing course organised by a women's NGO in Veliki Trnovac (Bujanovac) are ideal for this. In this case, SSMIRP training was followed by a REP employment project as a rare good example of inter-programme cooperation. But when visited, the organiser of this project had finished this course, and moved on to another village to repeat it. She claimed that there was huge interest among women and that given enough machines she could easily multiply it in a number of locations apart from repeating it in the original one.

The lack of ideas in this direction might be due to two phenomena. First, the REP seems slowly to have developed a 'hard' culture of physical infrastructure, or engineering, rather than one that focuses on employment and the main goals set out in the TOR. This is not to say that REP has not admirably achieved those goals in aggregate, it clearly has. Employment generation in a predominately rural environment in south Serbia naturally lends itself to infrastructure projects. Proposals from communities largely reflected this fact. But in a continuation of the project, it might be fruitful to re-focus on the overall objective. Poverty reduction programmes tend everywhere to benefit from a focus on women. Physical infrastructure improvement is a positive achievement, but after many years of lacking investment, the needs are so great that REP-sized funds can only dent the surface. The money is better used in projects that contain some other effect than simply providing infrastructure.

The question of limited absorption capacity for more sophisticated sub-projects is relevant at this point. However, absorption is greater than it immediately appears, and can be uncovered and even created by well-designed activities if the focus is there.

Secondly, the organisational structure (see separate section) appears not to have been ideally conducive to cross-fertilisation between SSMIRP and REP. A more unified programme structure might allow, for example, REP to follow up on successful ideas generated in SSMIRP by replicating REP-like SSMIRP successes.

The TOR singles out women heads of household as a special priority. No data exist on this subject, and this category appears not to have been especially targeted. There are two reasons for this. Owing to the difficulty in targeting women in general leading to the acceptance of all women applicants, it has been meaningless to filter for such factors. Also, identifying women heads of household is not an easy matter in South Serbia. Except among refugees and IDPs with no local connections (a very small number), the extended family system is predominant. This means that a woman who loses her husband is rarely alone with her children in the way that a Western European woman might be. The time taken to make such an identification would probably be ineffective, and certainly inefficient in view of other pressing priorities such as targeting women in general.

Finally, a specific housing rehabilitation project targeted inhabitants of the GSZ, repairing their damaged homes and focusing further aid on those who committed themselves to remaining there. This project was implemented by REP in common with UNHCR and SDC.

2) The population at large within the municipalities in which these two programmes are implemented.

There is no doubt that the overall impression of REP on the general population has been a powerful one. This began with the labour-intensive cleaning projects that generated excellent initial visibility and thus interest for the programme, independently of whether they were 'sustainable' in terms of maintenance.

Following this, the most important effect on the general public has in the view of most observers been the continuing visible presence of the international community, and its willingness to harness government in listening attentively to the needs of citizens in every community. It is this high-profile global outreach that has been a crucial success factor in regard to the population at large. Every local community in the GSZ has been beneficiary to one or more REP projects.

The result has been a significant psychological impact on public morale. Almost all interlocutors concurred in naming visible IC presence among the most important factors, and many singled it out as the most important.

In this context, REP and SSMIRP have been excellent complements to each other. While the latter's subtler approach better targets long-term development, REP's greater visibility and focus on more traditional products has given that process a huge initial boost by opening minds to cooperation. Without this, considerably more suspicion of and resistance to SSMIRP's 'softer' projects could have been expected. This intended complementarity has however been little exploited, and more effort should be applied to integrating the two teams.

Assess, based on the UNDP Country Office's Strategic Results Framework (SRF), how the REP contributed to obtaining elements of the SRF

SRF goal G5, change in outcome indicator has several components:

Significant progress achieved to further stabilise the region in 2002.

REP has made a major contribution, especially by ensuring a rapid start, a ubiquitous UN presence and an even-handed distribution of funds.

The programme expanded to include a larger geographic area beyond the original three conflict municipalities.

REP was expanded to a fourth municipality. The greater expansion of both REP and SSMIRP will follow in the shape of the MIR programme.

Municipal Technical Units in each of the target municipalities were established.

These units were established with separate REP and SSMIRP members.

and development funds have begun to function in a transparent and financially accountable manner.

To date, REP funding has not been routed through the MDFs, but decided upon in principle in the municipal assembly executive boards, but in practice by the mayors.

4 CONCLUSIONS

The mission finds that SSMIRP and REP have each in their own way achieved excellent results contributing to the overall objective of stabilisation and peace in South Serbia.

4.1 REP

As intended, REP has had the most immediate effect with its virtually ubiquitous presence and its provision of products that were immediately understandable both to government officials and the general public. It has therefore been highly successful in its function as a starter programme that has opened the way for development work by building trust between all parties.

REP has also made a potentially long-term impact by re-introducing local communities into the forefront of a municipal decision-making process. This effect is however of dubious sustainability unless some follow-up is made in subsequent programmes – careful consideration of this point is worthwhile.

REP has, however, remained a very ‘infrastructure-oriented’ project that has not greatly advanced in step with the changing project environment in terms of its position in the overall development strategy. Its focus on easily-understood and desirable products makes it a popular project among mayors and citizens, but this very fact tends to obscure longer-term development goals. These are more related to programme and project processes, and can be more easily ensured in an RBM-based management approach (see recommendations below).

4.2 SSMIRP

SSMIRP had an initially difficult period of some six months. The mission can only base its findings on this on hearsay, as the main actor of that time has left. What appears to have happened was that the responsible officer, in spite of disagreement from superiors, pursued a strategy of promoting an example of excellence by focusing on Leskovac, the municipality with the greatest capacity. Many active working groups were created. This strategy has its merits, but seems to have been combined with a policy forbidding open information about available budgets, resulting in the generation of huge numbers of project proposals with no prospect of funding, and thus raising unrealistic expectations. It seems that the question was eventually solved by dismissing the responsible officer. It might be useful for the programme to reconsider both of these strategy elements, as it is not clear whether either has been sufficiently debated on its own merits, rather than as a reaction to an untenable situation whose causes were perhaps not due to either element *per se*.

After its initial difficulties, SSMIRP has significantly addressed the second overall objective of longer-term social and institutional capacity building. It has done this in four ways (4.2.1 – 4.2.4 below). The first two and arguably the most powerful are almost completely unrelated to programme or project products, but purely to processes put in place to handle the generation and selection of projects and general programme overview.

As a development programme (in a sense that the REP is not and was not initially intended to be), SSMIRP was naturally required to focus as much, or more, on process than on product. It is therefore useful to consider some of the procedures followed by SSMIRP itself. Whereas the REP used the MZs to generate project concepts at the village level, SSMIRP kicked off with a broad workshop in each municipality to which MZ representatives (among others) were invited. This appears to have worked well, but has caused project identification to be based on thematic groupings. Some programme staff felt that this was one reason for an urban bias, and others that it has led to a distancing from the grass-roots level that might have been desirable. Some felt that the workshops should have been repeated to maintain the original contact. We revert to this question below.

4.2.1 Regional cooperation

One of the greatest achievements in capacity-building is the institution of the Regional Steering Committee (RSC) and the regular meeting under its auspices of all six mayors. In early 2001, the

level of animosity was such that a cordial, businesslike meeting of all of these mayors was almost unthinkable. It is a measure of great achievement that not only do the RSC meetings occur regularly, but that common decisions are taken and acted upon, and concepts of regional development are being discussed⁹.

Indeed, during the November 2002 RSC the six mayors initiated the idea of a "Regional Development Committee for Southern Serbia" that would focus attention on the central governments' PRSP proposal which did not contain Southern Serbia as an identifiable economic entity. Six months later at the beginning of June 2003, this initiative made possible a meeting of 22 mayors to discuss regional development, a meeting that succeeded in attracting several central government representatives.

This beginning regional thinking can be of momentous importance. Just as a republic-level debate is sputtering on about changing the district system with a regional division (some 5-12 regions are mooted by various actors), a bottom-up initiative such as this can have far-reaching effects.

4.2.2 Municipal development structures

The second major achievement has been the installation in municipalities of new thinking on the management of development. This needs to be built upon, but for sustainability, care must be taken to ensure that new structures are anchored in Serbian law and in democratic control of appointed bodies.

All of the original MDCs were created with the participation of the municipality, but UNDP had the main say in the procedure. All the MDCs were created after workshops on this topic were conducted in each municipality and working groups were formed. Most of the MDCs were changed in April 2003, according to a decision taken by the Regional Steering Committee¹⁰ to legalize MDCs and to make them part of regular Municipal structure. (See annex for the detailed composition of each MDC.)

UNDP should continue to press for a broad representation, but must be aware of the fine line between development of democratic control through empowerment (the elected assembly decides) and through imposing best practice through the power of funding (a good result through a bad process).

It seems logical that the MDCs should move in the direction of becoming municipal *assembly* development committees. The elected assembly then exercises democratic control over the committee which would propose to the assembly plans for the use of donors' and citizens' funds (the matching funds) on all development issues.

Appointments to the MDC could be made by the assembly, or perhaps in the same way that the new Law on Local Self-Government stipulates for the appointment of department heads and utility company directors, i.e. proposal by the mayor and approval by the assembly. This should be left to the assembly to decide (as it does on many other issues through its statutes under the new law). (See diagram in annex – Relations between programme and municipal bodies.)

The Municipal Development Fund, now on the way to being merged with the MTU in some municipalities, is in the MIR programme replaced by (or re-named as) a PIU. The MIR document comments little on the relation between the MDC and the PIU, but the PIU could well act as an executive to the MDC, giving technical input and preparing documents. In this way, democratic oversight and the avoidance of parallel structures is achieved.

Since the idea is for the MDC to be a general and genuinely *municipal* development organ that will deal with development issues from all donor programmes (apart from purely municipal ones), the term *Programme Implementation Unit* is unfortunate. The term Municipal Development Fund seems more congruent. The further programme should avoid representing a step backwards for the most advanced municipalities.

The exact workflow between the MDC and the assembly can be discussed. For maximum democratic control, the MDC should propose project plans in groups for the assembly's approval, perhaps quarterly. This may however be too long-winded, and an alternative would be that the

⁹ See minutes of 6th committee meeting, 8 April 2003.

¹⁰ Fifth Committee session, 29 January 2003, conclusions. See annexed minutes.

MDC propose a more general work plan for a tranche of funds, and receive from the assembly authority to approve projects within that frame. Accountability to the assembly would then be by report, before a new tranche is released.

The institution of the MDC has many interesting perspectives. The new Law on Local Self-Government allows, for example, municipalities to appoint a 'City Manager'. It is not clear from the law exactly what his role would be. One idea that has been put forward is that the post be seen in conjunction with the MDC/MDF as a sort of 'development chief'.

The PMU (UNDP) would exercise influence by providing or supporting staff and following the developing proposals (and in the final end deciding whether to contribute its funds or not). The PMU cannot expect to have a say over funds other than those of its own programme, but the proposed arrangement would ensure this.

4.2.3 Training

The Programme experience in municipal capacity building is a good start, but is naturally limited compared with potential. Training for officials is a large field offering scope for repetition of training already held and development of new courses. For example, Human Resource Development is a major issue with great potential. Meetings with mayors and other stakeholders have highlighted a considerable need for training at many levels in the municipal structures: mayors, heads of departments, municipal technical staff, MDC members, municipal assembly members (perhaps implemented in partnership with the OSCE), NGOs and UNDP Programme staff (see also the very brief TNA mentioned under 3.1.1).

So far the programme has to a large extent been donor driven, but this is changing. An extension of the project will provide scope for important contributions to a sustained change process aiming at installing good governance in the municipalities included in the new programme. The question of ownership could usefully be addressed by linking training to other activities as an integral part of other projects.

For example, the training that was held in Waste Management was good, but poorly attended for a variety of reasons. If it had been incorporated as an obligatory phase 1 of a project to supply sewerage products, the attendance would undoubtedly have been massively improved.

4.2.4 Social projects

Some of the small-scale social projects visited had in the mission's view the greatest long-term potential of all. Some examples are pre-school language teaching for Roma children, and courses offered by a women's NGO in Bujanovac.

Most Roma children drop rapidly out of primary school because they cannot speak Serbian properly when they start, and are relegated to special classes for the under-gifted, or have to repeat a year. This is highly de-motivating, and should be seen on the background of parents who often do not understand, nor have any expectations from the school system for their children. An NGO has been providing pre-school language courses for 6-month periods, and working on parent education simultaneously. The reported results are excellent – the children quickly improve their Serbian (the organisers reckon that 6 months is usually enough) and participate fully in class activities from the moment they begin school. The long-term perspectives for these children are greatly improved. In a world in which it is often said that good projects involving Roma are hard to find, this success deserves repeating as often as resources allow.

The Bujanovac women's NGO provides sewing courses for women (the programme has provided equipment). The organiser's principal objective is simply to provide a forum for women to get out of the isolation of their homes and discuss whatever issues they find important with others. In a highly patriarchal society where women are often isolated, this can have far-reaching consequences. Another result has been a small number of women opening tailor's shops after the course.

Many of these projects have been at the same time tools in Civil Society development in that they have helped establish strong NGOs.

4.3 Interaction between SSMIRP and REP

As remarked above, the two programmes were originally conceived as two aspects of a common effort, with a coherent strategy. The mission's impression is, however, that the two components developed in different directions, and that communication between the two groups of programme staff was less than ideal. As this report should reflect, each programme had valuable procedural experiences, especially on the question of project development and supervision processes. It remains for the MIR programme to exploit these various experiences by reviewing them and melding them into a combination of best practice from each programme.

The reasons for the lacking interplay between the programmes appear several. On the one hand, they are funded by many donors each of which has its own priorities, culture and methodology. Many persons interviewed also expressed the opinion that, for whatever reason, personal differences in approach among staff accentuated other effects. The mission is concerned that future activities be coordinated under an overall programme management that has an effective control over staff and can unify approach and procedure by creating the spirit of a single team with a shared vision.

4.4 Unique features and core assets

The unique features of the UNDP programme are

- An ubiquitous presence in local communities
- A holistic approach to consolidation of peace
- Re-installation of local communities in development structures
- Programme ownership being progressively transferred to the RSC
- Interesting innovations in broad-based municipal good practices
- A potential to contribute to the economic development process and dialogue through advocacy of small but proven approaches to private sector facilitation

The mission has observed that the Programme has by now established structured partnerships of trust with municipalities, NGOs and local communities. This has led to an emerging openness in municipal thinking, to NGOs that are establishing themselves as partners in development and to a beginning awareness in the local communities about NGOs' potential development role. There are indications that a process has been started where the Programme is slowly moving from being donor driven to becoming genuinely demand driven.

The core assets of the SSMIRP/REP Programmes are

- A vast accumulated experience in community development
- Great enthusiasm, commitment and vision among the programme staff
- Extensive networks with municipalities, local communities and NGOs
- The development of an instinct for problem solving in the programme context.

4.5 Areas where stronger emphasis would be useful

The mission observes that the following issues should be more strongly emphasised in the overall Programme as part of the strategy for transfer of management responsibilities to the municipalities and RSC in the medium term, leaving the UNDP Programme staff with responsibility for 'accounting, monitoring and evaluation'.

- Anchoring of municipalities in a regional context with emphasis on a strengthened RSC
- Deeper debate on programme process involving the RSC and other counterparts
- Dialogue with municipalities and civil society emphasising not only ad hoc interventions but longer term strategies
- Systems for transparency and accountability for consolidation of peace and poverty alleviation issues
- Systematic communication and information also including the media
- More emphasis on women and youth
- Strengthened focus on citizen's rights and responsibilities including legal rights