

Republic of Serbia and Montenegro

Can Things Come Together Again?

Emergence of remarkable initiatives by ethnically diverse local
authorities and their constituents

Evaluation Report of the
Southern Serbia Municipal Improvement and Recovery
Program
(SSMIRP: 2001-2003)

January 2004

Foreword

The title of this evaluation report, has been inspired by a recent publication in the World Bank about poverty in the former Soviet Union : "When Things Fall Apart"¹.

"When Things Fall Apart" is a troubling report that the high expectations of the transition from central planning - (...) - have clearly not been met². The book describes, through the stories of real people, that what really happened during the transition deeply affected them and not for the better.

It seems appropriate to give the story of what happened to the people in Southern Serbia, through SSMIRP, a more optimistic perspective.

As the book which inspired its title, this report will essentially focus on the people and on the institutional capacities which have emerged in an astonishingly short period of time in a complex environment characterized by a weak economic outlook, ethnic diversity and lingering conflictual conditions. This report doesn't have the time span, the depth and the scientific basis of the qualitative surveys conducted for "When Things Fall Apart", but it attempts to fairly objectively reflect changes in the situations as observed and confirmed by various actors and stakeholders in Southern Serbia.

The title of this report remains a question mark. It is still far too early to guarantee that what is emerging will be sustained. It is not clear whether the word "Again" is appropriate in the title, the conflicts between those communities have been there for so long. But then again, those communities have been living side-by-side and mixed for centuries : somewhere, some times and sometime ago, this must have been satisfactory.

There will be ups and downs, at the writing of this report the conditions are less favorable than they were some months ago. But this is a report with a message of hope. Good people in Southern Serbia are taking opportunities in their hands.

¹ "When Things Fall Apart: Qualitative Studies of Poverty in the former Soviet Union" – The World Bank – edited by Nora Dudwick, Elizabeth Gomart, Alexandre Marc, with Kathleen Kuehnast – December 2002

² Excerpt from the foreword to "When Things Fall Apart" by Ravi Kanbur, Prof. Cornell University

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A Summary of "Lessons-Learned"

on local institutional capacity building
in a post-conflict and multi-ethnic environment

from the

Southern Serbia Municipal Improvement and Recovery Program (SSMIRP: 2001-2003)

Summary on funding and management of SSMIRP

The World Bank's Post conflict Unit approved a 1M US\$ grant to initiate SSMIRP, through UNDP management, mid-August 2001 consequent to the multi-donor/United Nations inter-agency fact-finding and assessment mission in February 2001.

This mission was organized in support of the peace and reconciliation efforts between the Albanian ethnic factions in Southern Serbia and the then Federal Yugoslav Government, which efforts were receiving extensive support from the international community through NATO, the OECD and various other multilateral and national parties.

The WB's ECA-Social and Sustainable Development Unit provided extensive technical assistance to the UNDP-SSMIRP management, supported by a Dutch funded trust fund in the WB (----TF).

The WB's PCG-funding was intended as "seed-funding" for SSMIRP and attracted the following additional funds : 200,000 US\$ from UNDP; 200,000 US\$ from the Netherlands; 304,000 US\$ from Luxembourg; 566,000 US\$ from Norway and 451,000 US\$ from Sweden.

Ultimately, the EAR who funded a rapid employment program (REP : Dec.01>Jun.03; 4 Million Euro) in parallel with SSMIRP, created a follow-up program now called MIR (Municipal Improvement and Rehabilitation) of which the operational procedures are constructed upon the experiences of SSMIRP (MDFs and Operational Manual) and is considered as an extension of SSMIRP. MIR is designed in two phases of each two years, for 6.5 million Euro per phase, and covers 11 municipalities in Southern Serbia, including the six municipalities covered by SSMIRP. MIR has started to operate in the last trimester of 2003.

A Summary of "Lessons-Learned" on local institutional
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Table of Contents

		Page(s)
	Foreword	1
	Summary on funding and management of SSMIRP	2
	Introduction and Context	4 - 6
1	Emergence of remarkable initiatives from ethnically diverse local authorities	7 - 14
2	A Summary of "Lessons-Learned": what was achieved in terms of local institutional capacity building	15 - ..
3	The key ingredients which contributed to the achievements	.. - ..

Annexes

Annex 1	Some more technical information on the workings of the SSMIRP-program	(1) - (7)
	<u>Annex 1-1</u> : The Municipal Fund Concept (June 2002)	
	<u>Annex 1-2</u> : Outline of the SSMIRP Operations Manual (Dec. 2002)	
	<u>Annex 1-3</u> : The SSMIRP Program and Subproject cycle	
	<u>Annex 1-4</u> : Data on Municipalities participating in the MIR-follow-up program (EAR-funded)	
Annex 2	References, Reference List of Stakeholders and List of Acronyms	(8) - (11)

Introduction & Context

The three municipalities of Presevo, Bujanovac and Medvedja are the only mixed communities³ in Serbia and Montenegro where Albanians constitute either a majority or a large minority (Medvedja).

In conjunction with and subsequent to the transfer of authority of the “ethnic Albanian majority” province of Kosovo to a UN/international transitional mandate in 1999, these three municipalities and the surrounding region became an intense conflict area between the ethnic majority of Albanians residents and the Serbian authorities and minority Serb residents. The conflict is described in different terms and from different perspectives by the major parties involved, including the international community. It is generally considered that the conflict was mainly instigated by ethnic Albanian elements infiltrating from the neighboring countries finding support amongst their ethnic relatives. The complexity of the crisis was consequent to the legacy of the past systematic human rights discrimination and exclusionary policies of the previous regime combined with socio-economic disparities, aggravated by the structural underdevelopment of the region and the political instability in the neighboring regions along very similar tension lines. Whereas these conditions targeted particularly the Albanian and Roma population, the Serb community felt pressurized by the socioeconomic disruption caused by the Albanian armed insurgency.

Although never escalating to the intensity of a full-fledged war, in the period⁴ between June 21st, 1999 and November 21st, 2000 there were 296 attacks and raids in the three communes, in which 11 persons were killed (amongst which 6 citizens) and 38 injured (including two members of the UN mission), two citizens were kidnapped, and state and private property was destroyed.

With the support of the international community and the collaboration of most relevant parties, a peace agreement was reached in April 2001 and a rehabilitation and reconstruction plan - called the “Covic⁵ Plan” - was agreed upon in May 2001.

The United Nations had organized an inter-agency mission (February 2001), with the objective to mobilize the international community. By the end of the year 2001 there was already a very visible presence with respectable outputs.

³ Ethnic distribution in Presevo, Bujanovac and Medvedja (Southern Serbia) according to the 1991-census :

Municipality	Total Population	% population		
		Albanians	Serbs	Other
Presevo	38,943	90%	8%	2%
Bujanovac	49,238	60%	30%	10%
Medvedja	13,368	28%	70%	2%
Total	101,549	59.3%	36%	4.7%

⁴ See References in Annex 2 (Ref. #2 : the Covic Plan)

⁵ Dr. Nebojsa Covic, Deputy Prime Minister – (then) Republic of Serbia

Introduction & Context

On the part of the Governments of the FRY and Serbia, the activities of the Joint Coordination Body (JCB), lead by Mr. Covic, had created the basic conditions for return to a peaceful environment. This was a surprising turnabout, whereas the peace agreement – brokered by NATO - was more or less forced upon the conflicting parties. When NATO more or less disappeared from the picture the peace not only held out but was actually consolidated. This happened in a very short period of time, by the end of July 2001 most people present in the area judged the accomplished work as fully satisfactory. Mr. Covic's leadership role was key to the success of these interventions.

Somehow the rapid pace of events had raised hopes beyond actual possible delivery. Some investment projects were delayed - with a few months only but crucial in such circumstances - as f.i. the World Bank's post conflict grant and the European Union's rapid employment program. Some political promises remained vague in their implementation (employment of ethnic Albanians, status of ethnic Albanian school teachers, the occupation by VJ⁶ and police of various "ethnic Albanian" facilities). In these conditions, somehow more radical elements in both ethnic communities re-radicalized their positions.

Between autumn 2001 and late 2002, this was a very rapidly changing environment, whereby progress and backtracking, satisfaction and dissatisfaction were close to one another. Several new incidents occurred early, mid and end of 2002 (including under the influence of the slow reconciliation process in FYR of Macedonia). Notwithstanding that, steady progress in delivery of assistance and in overall stabilization and consolidation of peace was being achieved.

As per the UN-interagency stock-taking report of November 2001⁷, *“within the time frame since the February inter-agency mission, the Government of Serbia has committed approx. US\$ 13.2 million of which the larger part has been disbursed, and the international assistance has disbursed approx. US\$ 2.5 million of a total commitment of up to 19 Million US\$ for the next two to three years. These are serious achievements in any circumstances, set aside in an environment of peace building. These funds target a less than 1 million population, which is a very dense investment, certainly in consideration that the institutional capacity in Southern Serbia is among the lowest in Serbia”*.

Many international actors were active : NATO in the peace agreement, OSCE in the establishment of a multi-ethnic police force and in preparations for elections, the European Union with the establishment of the EUMM. The UN-system had deployed very rapidly and major actions had been undertaken in the humanitarian assistance component (as food and non-food assistance), substantive numbers of returnees had been assisted, the basis of some longer term capacity building exercises had been laid. Several bilateral donors supported the programs, among which the USAID programs were the largest investors in reconstruction and capacity building. Many international NGO's participated in these international programs. Local NGO's had either benefited from funding or were created outright by these international assistance programs.

⁶ VJ : Yugoslav Army (local acronym)

⁷ See References in Annex 2 (Ref.#5)

Introduction & Context

The European Agency for Reconstruction (EAR) and the World Bank (WB) participated in the UN inter-agency Mission of February 2001 and pledged to contribute to the rehabilitation and the recovery efforts within a UN-led framework.

The Post Conflict Department of the World Bank committed to a \$1 million grant (PCG) for a Southern Serbia municipal improvement and recovery program which became effective in September 2001. And EAR committed \$3 to 4 million for a rapid temporary employment generation program (REP) which became effective May 2002. The two programs were designed to be complementary, and intended to operate jointly whereby REP would target rapid visibility and delivery adequate during the starting period of the program but requiring constant evolution towards more sustainability and self-management towards the SSMIRP's design features.

The purpose of the PCG was to provide support for the Southern Serbia Municipal Improvement and Recovery Program (SSMIRP) which had as main objectives : (i) establishment of a locally owned development investment fund for six municipalities in Southern Serbia, directly benefiting the populations of those municipalities; (ii) capacity building in key local governance institutions and the economy development of the disadvantaged area; (iii) reduction of tensions between local communities of ethnic Albanians, Serbs and Roma; and (iv) supporting civil society initiatives to promote social cohesion and multi-ethnic activities, especially among youth and women.

The PCG was given the flexibility to test decentralized approaches to development planning which can provide lessons for eventual devolution of authority to the municipalities.

The World Bank's PCG was the seed-funding for SSMIRP, which was co-financed by UNDP, Luxembourg, Norway, the Netherlands and Swedish SIDA.

1 Emergence of remarkable initiatives from local authorities and constituents

1 Emergence of remarkable initiatives from ethnically diverse local authorities and their constituents

1.1 A case-story as context to this evaluation report :

15 November 2001: one of a series of monthly "coordination" meetings took place in the offices of the mayor of Medvedja. The meeting was well attended by at least 25 people. Five or seven of the attendants were representatives of the ethnic Albanian inhabitants of Medvedja. A similar number of Serb representatives were there. Slobodan Draskovic, the mayor, an ethnic Serb, was joined by some of his assistants. Mr. Markovic represented the Yugoslav Federal Government's Joint Coordination Body (JCB), specially established to concretize its peace resolution efforts. Peter Simkin, representative of UNDP in Southern Serbia, was accompanied by some of his staff. UNHCR organized and chaired the meeting, which was further attended by a few other international organizations, like EUMM, OSCE, etc...

The same mayor, now democratically elected after the special elections organized with support of OSCE and the JCB in the three municipalities of Presevo, Bujanovac and Medvedja in the summer of 2002, did not give a straightforward answer when asked in December 2003 whether this had been considered a successful meeting. But he elaborated that, notwithstanding that the participants had not necessarily looked each other eye-to-eye, and that the exchanges had not necessarily been very coherent because the different parties wanted to address different issues, the series of meetings had nonetheless provided the parties a forum where they could communicate. The particular meeting of November 2001 had been better than previous meetings and the fact that his multiethnic community had now reached a far more peaceful and communicative living-together, was proof that these meetings had achieved a positive impact. The mayor recalled that the Albanian representatives in the municipal College boycotted that College in November 2001 and are now - after the elections - fully participating although still remaining a minority representation.

Was this a good meeting, or was it a bad meeting. This is the key question : how to measure the value of this kind of events?

1.2 Some case-stories on the observed initiatives by the local authorities and their constituents :

1.2.1 The SSMIRP-established Regional Steering Committee establishes an "area-based development committee for Southern Serbia" :

For an international initiative as SSMIRP to have the objective to promote peace in Southern Serbia, it was inevitable that SSMIRP was designed to work with a

1 Emergence of remarkable initiatives from local authorities and constituents

representation of all the ethnic groups in the area. Such a representative institution was not readily available in the environment, therefore the SSMIRP project document included two conditionalities : (i) the establishment of a representational steering group for the six municipalities; and (ii) the establishment of a governance framework in each of the six municipalities, involving all major ethnic communities in a proportional manner.

The establishment of the Regional Steering Committee (RSC) was therefore an initiative driven by SSMIRP rather than by the local representatives. The first RSC meeting was held 19th September 2001 in Bujanovac. It was chaired by the UNDP representative, Mr. Peter Simkin and none of the mayors were present, neither were Lebane and Medvedja even represented.

The second RSC was organized in Vranje on 19 March 2002, it was now chaired by the representative of the Joint Coordination Body (JCB) of the Federal Government of Yugoslavia, and co-chaired by the mayor of Vranje. All six mayors were present.

As from the third RSC⁸ the meetings were chaired by the inviting mayor and co-chaired by the JCB. All mayors were usually present.

Whereas the original meetings had focused mainly on the mechanics of the SSMIRP and REP programs, slowly the RSC meetings started to pay attention to some regional development⁹ for Southern Serbia.

During the fourth RSC in October 2002, stimulated by a discussion on the national poverty reduction strategy of to Federal Government - as reflected in the minutes of that meeting¹⁰ – *“the heads of the districts of Jablanica and Prcinski recommended that the regional steering committee should be summoned more often. The mayor of Bujanovac proposed that different ministers should be invited to attend. The meeting adopted to have the RSC called the RSC for the Development of South Serbia. It was also agreed that the meetings should be held every two months. All mayors accepted this proposal”*.

The fifth and sixth RSC for the development of South Serbia were held as scheduled¹¹: they discussed strategic regional development and were at the origin of a meeting in May 2003 of 21 municipal representatives of five districts in Southern Serbia, which discussed the position of Southern Serbia in the national poverty reduction strategy program (PRSP) of the government.

During the evaluation mission end of November 2003, it appeared that mayors in the six municipalities were not well aware of the final version of the PRSP. The mayor of Leskovac, Mr. Gojko Velickovic, supported by some of his staff, were under the impression that the final version of the PRSP had been positively influenced by them. Other mayors were not aware of such developments.

⁸ RSC #3 : Leskovac 11 June 2002; RSC #4: Bujanovac 29 October 2002; RSC #5: Medvedja 29 January 2003; RSC #6: Hotel Vlasina 8 April 2003; RSC #7:; RSC #8: Lebane 14 October 2003

⁹ The “Regional” development focus had been the “international’s view” to achieve peace and development as reflected in various reports

¹⁰ re-Annex 2, reference 9

¹¹ re-Annex 2, reference 9

1 Emergence of remarkable initiatives from local authorities and constituents

The evolution of the RSC is certainly a remarkable one. The fact of having created an “externally driven” forum, but which is constructively used by the interested parties, notwithstanding there being many reasons and backgrounds making these parties having difficulties to relate, is a success. Besides the fact that an initiative of this nature, which is unique in Serbia, has emerged in the poorest and institutionally weakest region in the country, should also not go unnoticed.

It is equally clear that much more work and patience has to be injected into the process for this process to achieve effective, measurable outputs.

1.2.2 The six municipalities individually join the MDF-concept and their municipal councils vote to transfer municipal funds to the MDF :

By May-June 2002 the SSMIRP project-management had created a very wide participatory process amongst the populations and the local authorities in the six municipalities, which unfortunately generated exaggerated expectations relative to the limited resources in the SSMIRP budget (see next case study). In parallel, the rapid employment program (REP)¹² – which started with delay - very quickly generated interesting outputs and employment at the local level, which was very much appreciated by the population and their local authorities. This created a tension between REP and SSMIRP, which was close to undermine the SSMIRP concept of participatory management of their own development, particularly in terms of institutional capacity building, in the six municipalities.

The World Bank's supervision mission in June 2002 made the suggestion to establish municipal development funds (MDF's)¹³ in each of the six municipalities, and to make the beneficiaries know the exact size of the available budgets.

There were several underlying principles for an MDF to be established in each of the municipalities :

- (i) the SSMIRP operations manual¹⁴ - which manages participatory project selection as well as progress disbursement - had to be agreed upon by the municipal administration;
- (ii) each municipality had to contribute on a one-to-one basis (1US\$><1US\$) to the MDF and the municipal contribution had to be on the account prior to transfer of funds by the SSMIRP project-management;
- (iii) each municipality to manage its own MDF in accordance with procedures acceptable to the international community and to the local community and its representation [re: #(i) above];
- (iv) all relevant parties, including local authorities and end-beneficiaries to know at any given time the availability of funds;

¹² EAR funded (European Agency for Reconstruction)

¹³ See Annex 1-1 : The Municipal Development Fund Concept

¹⁴ See Annex 1-2 : Outline of the SSMIRP OM

1 Emergence of remarkable initiatives from local authorities and constituents

- (v) there were further a series of options given to be discussed between the SSMIRP project-management and the municipal authorities, as well as with the municipal development committees (MDC's : which had already been established), to work out the detailed operational modalities of the MDF's.

Although this seemed quite a daring concept at the time, and even maybe more so in retrospective, when it was presented to the RSC meeting in June 2002 the mayors were reasonably enthusiastic and confident that they would not meet difficulties to have their municipal councils approve of it.

And in fact that is what really happened. By October 2002, all six municipalities had signed a memorandum of understanding (MOU's), including all the necessary attachments, which allowed the functioning of the six municipal development funds.

There were still weaknesses in the MOU's, particularly when it came to ensure that the municipal authorities would assume the responsibilities of transferring the municipal co-funding. The World Bank's supervision mission, in November 2002, required that the municipal co-funding would be approved by the municipal councils prior to operationalization of the MDF's.

And again, notwithstanding budgetary constraints and bureaucratic delays, by January 2003, all six municipal councils had approved and initiated transfers. It would be unrealistic to state that no further issues were met. Lebane and Medvedja were quasi-unable to raise the funds, and used their connections with the JCB to get their contribution from central government level. Evidently procedures in the operations manual were not applied with all the necessary rigor.

But again and again, all the mishaps, delays and/or mistakes were raised by the SSMIRP project-management with the relevant parties. Some of them are still outstanding issues. But by the end of 2003, the six municipal development funds had disbursed in total - in accordance with the procedures - over 80% of USD1.285,154¹⁵ equivalent. This represents 107 microprojects of average 12,000US\$ each.

In the process, Leskovac established its MDF as a para-statal legal entity, autonomously managed. The Leskovac MDF has since attracted new international funding under similar type procedures as SSMIRP from and ... for an amount of US\$ ----- equivalent. Thereby being an example that transparent and efficiently management mechanisms attract attention from the international community.

Mr. Riza Halimi, the Mayor of Presevo is studying the Leskovac model to establish a similar institutional arrangement. This is quite a remarkable fact in several ways : (i) Presevo is considered a very weak institutional capacity, the mayor is aware of that which is seemingly the reason he sees an opportunity to develop it; (ii) Presevo was a most reluctant partner at the start of SSMIRP¹⁶. However, once on board it was the first

¹⁵ see Ref.9 in Annex 2 : SSMIRP Activity Report – December 2003, and also Ref.10 : Dec.6,2003 WB-mission report : Bujanovac (23 MPs; 76% progress); Lebane (20 MPs; 81% progress); Presevo (19 MPs; 91% progress); Medvedja (11 MPs; 41% progress); Leskovac (19 MPs; 100% progress); Vranje (15 MPs; 100% progress)

¹⁶ E.g. see SSMIRP First Quarterly Progress Report – 31 March 2002 : “ *in some municipalities (Medvedja, Lebane, Leskoac and Bujanovac) participation off a civil society and private sector is more accentuated than in others(Vranje*

1 Emergence of remarkable initiatives from local authorities and constituents

one to transfer funds, and it is the only one that has transferred funds on more than the required one-to-one ratio; (iii) the Albanian populations in the region have a tradition of collecting funds for development projects in their areas. Besides, Presevo has a large Diaspora which could well be a good source of counterpart funding for the Presevo MDF; and last but not least (iv) less than two years ago it would have been very unlikely that, an Albanian mayor would have sought and received municipal management advice from a Serbian counterpart – particularly from a neighbouring town.

It would be unrealistic to pretend that all the above adds up to structural developments and fundamental poverty alleviation: it simply doesn't. But what it does reflect is : (i) remarkable progress in relationships between parties, which until very recently were unable to communicate at best; and (ii) rapid assimilation of modern transparent, democratic, accountable development activities in an environment which had very little exposure and where constraints were overwhelming. The report below will further reflect¹⁷ on still existing tensions between the mayors and the communities.

1.2.3 Outlandish participation :

“Between¹⁸ the end of December 2001 and the first half of March 2002, SSMIRP carried out participatory planning workshops in all six municipalities with representatives of civil society and the private sector in order to set up local development councils. The workshops and fora were attended by 40 to 100 participants representing Albanian, Roma and Serbian communities (MZ's), as well as women, youth, different professional groups and the private sector. At the end of the meetings, working groups about specific issues of interest were established (for instance youth, women, NGOs, education, health, farmers, private sector/SME, crisis prevention, environment). These groups would then meet weekly or bi-weekly in order to develop concrete project ideas.

*.....
Currently the working groups in all municipalities are in the process of selecting their representatives for the municipal development committee (MDC's), which will consist of 5 to 10 members.*

*...
The dynamics of the MDC's and working groups is different among the municipalities. The most active civil society and private sector representatives are in Leskovac, where nearly 400 people are integrated in 21 working groups”.*

This massive mobilization generated more than 1,000 microproject proposals emerging from the different participants. A rough total cost estimate was in the tens of millions of dollars, a factor of 10 or even 20 over the available funds. The community mobilization methodology created unwanted exaggerated expectations and rapidly grew into frustration as the huge number of project proposals could not even be processed adequately.

and Presevo)” & “Presevo principality with more than 90% Albanian population is the most difficult area with respect to promotion of democracy and participation”

¹⁷ See Chapter 2, para. 2.1, p. 15

¹⁸ See SSMIRP First Quarterly Progress Report – Hermann Gebauer – 31 March 2002

1 Emergence of remarkable initiatives from local authorities and constituents

As we were told by our previous generations, good things have to come in moderation to avoid them to turn sour. This one was avoidable : the WB-consultant Paula Lytle pre-cautioned the SSMIRP management team in her Dec.2001 mission report : *“avoiding generating demand beyond the capabilities of the municipal bodies: as discussed during the mission, the consultative workshops need to be carefully handled to avoid generating greater demand than can be handled by the municipal bodies at this time.”*

Obviously, the massive participation was also the success of SSMIRP. It proved the eagerness and capacity of the population to participate in a democratic development process as well as the willingness - although somewhat reluctantly at the start - of the local authorities to engage in such a process. The former mayor of Leskovac, Mr. Dragoljub Zivkovic, who was certainly the person with the largest amount of frustration as his 21 working groups ended up only receiving 100,000 US\$ from SSMIRP. When asked in December 2003, which was the most relevant characteristic of the SSMIRP process, still answered “the mobilization of his constituency”¹⁹.

1.2.4 Original microprojects :

There is a very wide variety of subprojects which has been supported through the MDF's. To mention a few : youth radio show, preschool education of Roma children, mathematical club, from discrimination to equality, rehabilitation of municipality, archaeological site, IT course for the health center, water supply for Muhovac, reconstruction of green market, installation of filter in town pool, computer course and equipment for secondary school, inventory for biological and chemical laboratories in secondary school, These subprojects have emerged from a very grassroots participatory process, as was intended by the project document. Mayors and beneficiaries have expressed satisfaction with the delivered subprojects. The subprojects have been delivered in adequate or even better than usual quality. The cost of the subprojects has been fully controlled within reasonable levels. The subprojects have been delivered in acceptable time frames. The subprojects deliver or have delivered the services which they intended to deliver.

This diversification didn't come naturally in the South Serbian environment : the tendency of the mayors was clearly to pour the money in solid infrastructure. The small-scale funding for each micro project will have contributed to the diversification, very likely also the focus on special interest groups, which was created by the start-up methodology early 2002. In December 2003, some of the mayors still continue to express a preference for investment in infrastructure. But the mayors of Vranje, Presevo and Leskovac (new mayor : Mr. Gojko Velickovic) considered that the MDF had made senseful investments, which were very complementary to the municipal activities, as the municipal budgets would not allow them to engage in such activities in the present economic conditions.

The mayor of Vranje, Mr. Miroljub Stojcic, who was there throughout the whole SSMIRP experience, provided a new perspective on the working of the operations manual. In

¹⁹ However, it is likely Mr. Zivkovic's background as a university professor in Nis to work with students that made him more sensitive to this characteristic, as none of the other mayors mentioned it when asked the same question.

1 Emergence of remarkable initiatives from local authorities and constituents

December 2003 during the last supervision mission we asked him how we felt, when the MDF's were established, that as a mayor he could not overturn the recommendations made by the municipal development committee on micro project selection, unless based on a fully justifiable argument. The mayor answered that he had been satisfied with the quality of the people sitting in the MDC's, and that he therefore respected their judgment. Implicitly, the mayor gave a far better presentation over the mechanics of the operations manual and the MDC's : these are adequate tools provided to local authorities to make reliable delegated investment decisions.

1.3 What is so remarkable?

1.2 million US\$ has been sensefully invested in about 14 to 15 months in Southern Serbia : the government of Serbia will laugh at that, the Covic plan invested well over US\$ 10 million in eight months after the peace agreements²⁰ (April-Nov. 2001).

The newfound security and ability to live together in Southern Serbia : the JCB – in particular Mr. Covic and Markovic - and the OECD have certainly contributed far more to these achievements.

Other parties as OTI and CHF have equally been involved in community mobilization, and had started already before SSMIRP became active.

So, where is the difference? SSMIRP has certainly substantially contributed in three distinct ways in Southern Serbia:

- (i) linking up civil society with local authorities;
- (ii) creation of a reliable participatory development mechanism through the MDF's and its "absorption" by the local authorities; and
- (iii) providing a forum for the local authorities, as representatives of their constituencies, to exchange ideas about a Southern Serbia development concept.

1.4 Were there draw-backs?

.... Yes, ... or maybe not?

The environment was absolutely unpredictable.

The fact that SSMIRP had a difficult start can also be considered as a part of its success. In the original project document there was a lot of flexibility given to the local SSMIRP management team to experiment with different consultative methodologies, just because the environment was so unpredictable.

²⁰ See Ref. --, --- (Piet's report Nov. 2001/UNDP stocktaking)

2 A Summary of "Lessons-Learned": what was achieved in terms of local institutional capacity building

Whereas the Serb and Montenegrin Government²¹ and multi-donor investments in Southern Serbia between early 2001 and end of 2003 have been of an unprecedented scale, but then the immense needs were mainly a consequence of decades of neglect.

As per the UN-stocktaking report²² the then Yugoslav Federal Government through the JCB had invested around 20 million US dollars in 2001 alone. The international community had pledged 23 million US dollars for the next two to three years of which 4 million US dollars were disbursed in 2001. The JCB has continued to invest considerably in Southern Serbia in 2002 and 2003, and is scheduled to continue investing at least in the year 2004. EAR invested 4.5 million Euro through the REP program in 2002-2003.

SSMIRP, counting from when UNDP started to program around August 2001 until December 2003, has disbursed approximately 2 million US dollars. SSMIRP was not a real big player in Southern Serbia. But MIR, the successor of SSMIRP, now funded by EAR will be far more relevant, considering MIR will invest approximately 13 million Euro in the next four years.

However, the real achievements of "SSMIRP"²³ are the more subtle ones. How this environment, quasi dysfunctional until less than 2 years ago, has become one with emerging initiatives of grass-roots participatory inter-municipal action-taking and strategic thinking. There is no "fait accompli", anything that is now there can collapse in no time. Everything that is there now is very fragile. The fact that it is there now is a good reason for hope, the fact that it is very fragile should encourage the international community to be very vigilant in its support to Southern Serbia.

These more subtle achievements are grassroots participation on the one hand, and coordination and work-meetings between various municipal authorities in Southern Serbia on the other hand, as well as all sorts of institutional capacities having developed and established in-between these two ends of local society and the fact that those "two ends" are now communicating.

Presevo, Bujanovac, Medvedja, Lebane, Leskovac and Vranje did not share very common goals until very recently due to their ethnic, cultural, economic and social diversity and the global political context of Serbia and ex-Yugoslavia. Their joining a

²¹ The name of the country has changed two times during the period of the implementation of SSMIRP. In 2001 the country was referred to as, mid 2002 the name was changed into Since spring of 2003 the country is now called "Serbia and Montenegro".

²² See ref. #5 in Annex 2 : these investment figures on the whole target the entire Southern Serbia region of approximately one million inhabitants.

²³ And SSMIRP wouldn't have achieved this on its own. Particularly the USAID initiatives supporting participatory demand-driven investments in the communities were an immense support. Similarly, the humanitarian relief interventions by UNHCR and other parties had laid the groundwork for social re-integration early on after the "peace agreements", which were essential for SSMIRP's ability to be assimilated in the environment.

2 A Summary of "Lessons-Learned"

"club" as the SS-MIR-P-Regional Steering Committee (RSC) was artificial at best. But the overall environmental change in Southern Serbia made this "club" to make a choice.

2.1 The most subtle development in Southern Serbia could be the momentum generated by the establishment of the SS-MIR-P Regional Steering Committee : Where can this lead to?.

This ad hoc – externally initiated - institution was created to oversee the SS-MIR-P operations at the local level and re-grouped the mayors of the six target municipalities (Presevo, Bujanovac, Medvedja, Lebane, Leskovac and Vranje). It's first meeting in September 2001 was somewhat lethargic. It held several more meetings between then and the one in November 2002 where some extraordinary initiatives took place and which could be judged in time as the emergence of a Southern Serbian regional development initiative²⁴.

This transition initiative of RDC becoming the RDC for Southern Serbia Regional Development is unique in Serbia, emerging from the poorest economic entity in the country it is an extraordinary conversion that has occurred, almost invisibly but seemingly irresistible. The key point of potential success is that the RSC took this initiative without institutionally organized stimulation.

The initiative didn't come out of nowhere, Leskovac had been energetically promoting the idea. But it was not on the SSMIRP agenda. It was not on the November 2002-RDC meeting's agenda to establish the regional development committee. It quite simply emerged out of the discussions amongst the mayors and heads of districts around regional development and the PRSP.

Where can this lead to?

Very unpredictable. Besides the fact that the whole thing can just disappear or collapse, it can also be accaparated by some groups - for good or bad reasons - but with the resulting effect that it would not serve all or most of the constituencies and local authorities in a somewhat equitable way and therefore very likely loose its relevance.

What would then be the relevance of such an institution?

From the international community's point of view - an outsider's perspective - there are major potential merits to the concept:

- Pooling resources to develop required community services which cross the borders of each individual municipality or which are more efficient when pooled between municipalities;
- to develop a more coherent development environment on a larger scale, which can generate increased benefits to all or most of the member constituencies as

²⁴ Re: para. 1.2.1, p.7

2 A Summary of "Lessons-Learned"

a result of being perceived as better investment environment by the private sector;

- To generate more influence and thereby attract more attention and investments from Central Government through the creation of a larger constituency, represented by the RDC;
- Possibly to thereby de-politicize and democratize the investment-decisions/development climate through the creation of a multi-political coordination body;
- And ultimately to achieve that the minorities are being adequately integrated into the environment and become a respected and equitably served community as well as that they equitably contribute to the well-being and development of the whole region.

When talking to the different mayors and heads of districts, most of the above premises hold, but with a lot of "but"-s. Predictably, this is a major exercise of compromises. And as compromises go, one has to pay a steep price on one end, to achieve the looked-for benefits on the other end.

Presently the mayors don't see it as paying a price, they prefer to claim the benefits. And besides, when comparing the perceptions expressed by one mayor about the complaints of another mayor with the actual complaints, there is a clear pattern that parties are not hearing the substance as expressed by the other parties, but interpret it in function of their own perspectives. Which again is not unusual in any circumstances.

There are a massive amount of contradictions, constraints and conflictual issues to overcome. There are definitely the classical ones : the rural communities versus the urban ones, Leskovac is scaring most of the other municipalities by its energetic drive. And old alliances find common grounds really easy, making it even more complicated for the other parties to join. And there are the very specific situations resulting from the former Yugoslavia political environment and from the ethnic divisions :

- Mayors talk directly to ministers and know how to exploit party affiliation, they don't want to loose this privilege in favor of an RDC; and
- because of the international attention to the ethnic tensions in the Presevo valley, the municipalities of Presevo, Bujanovac and Medvedja are obtaining more than usual benefits in the form of investments, technical assistance and support from all kind of sources : international, central government and even local. Their blending-in with the RDC would very likely result in less focused attention and support.

Milan Subotic²⁵ expressed it in a different way when discussing this matter with him in December 2003 : *"The mayors of Presevo and Bujanovac (the Albanian mayors) are in effect exactly the same as all the other mayors"*. What Milan meant was that Mr. Halimi and Mr. Arifi very well know how to extract benefits from their status of minority local

²⁵ Focal point for SSMIRP in JCB

2 A Summary of "Lessons-Learned"

authorities with high exposure in the international community. What he equally meant is that the other mayors have the same abilities.

To create a self-managed, not hierarchically attached, multi-constituency institution, in the prevailing circumstances, takes a lot of time, a lot of efforts and a lot of talking.

The price to pay for the international community, particularly for the UNDP and the EAR being the parties most directly relating to the RDC through MIR, could be described as twofold :

- Do not include in objectives and goals the establishment of a regional development authority in Southern Serbia (don't claim it as an achievement):
 - the initiative should continue to grow indigenously;
 - any support provided, should be of a discrete nature. Support, if carefully chosen, can be essential to achieve particularly the coherent economic development and the ethnic integration elements of the initiative.
- leave the lead actions for any form of institutionalization of a Southern Serbia regional development authority in the hands of local people :
 - provide support, but remain in the background - this does not come naturally²⁶;
 - preferably provide support to a variety of actors, even if some of their activities may be contradictory with one another - don't forget we do a lot of contradictory things ourselves;
 - when providing support, emphasize that coherent economic development and ethnic integration be the key motivations for the establishment of such an authority.

The international community has to set an ambitious standard for such a Southern Serbia regional development authority. In the environment itself people, leaders – well-meaning for that matter, may seek for a solution of the least resistance, which visibly cannot achieve the participation of the weaker and of those not belonging to the majority.

The type of support that could be given is more of the nature of conflict or dispute resolution : providing fora where to talk, learning to listen to one another in particular to the substance of what the other party wants to say, learning to create a balance sheet between the price to pay and benefits to gain and compare that with the same balance sheet, prepared by the other parties.

Another type of support which seems advisable is to ensure that mayors continue to return to their constituencies on the development of the regional development authority.

Can this work? Where there are people of goodwill, yes!

There are good signs:

- The initiative of the RDC for Southern Serbia development authority is genuine;

²⁶ See further below observations regarding the use of more local human resources in the management of SSMIRP (Chapter 2, last para 2.4, p. -----)

2 A Summary of "Lessons-Learned"

- the mayor of Presevo seeks advice from the mayor of Leskovac, which goes against all the constraints outlined above;
- the mayor of Bujanovac in December 2003 expressed freely his reservations about joining an institutionalized RDC : historically his population has not benefited from such arrangements. And he implicitly referred to the benefits the Albanian minority is getting from their present status and international exposure. Although this may sound non-constructive, because it has been brought in the open, it can be used in a dispute resolution forum.

2.2 SS-MIR-P created a new concept, the Municipal Development Funds (MDFs) :

Municipalities which joined the "MDF-contract" had to put in their own (matching 1-to-1) funds to implement subprojects in their communities. Subprojects would be identified, processed and managed by local initiatives and in accordance with procedures in an Operations Manual as part of the "contract". These procedures in the Operations Manual ensure beneficiary participation, accountability, transparency, efficiency and adequacy versus objectives of use of funds;

- Extra-budgetary funds are not favored ...
- In absence of adequate administrative reform ...
- Institutional capacity has been build ...
- Participatory and delegated management ...
- Ownership, sustainability, ..
- Effective delivery of a diverse 107 microprojects, priorities for the end beneficiaries ...

2.3 Donor programs in general, and SSMIRP and the USAID investment programs in particular, mobilized end-beneficiaries in identifying their needs and implementing local projects.

This has been extremely successful, to the extent the SS-MIR-Program created exaggerated expectations at some point (early 2002). Thousands of cross-cultural citizens participated in meetings, municipal project committees and in project implementation. This was an abundant evidence of enthusiasm and eagerness to join new ways of addressing local needs;

-

2.4 Lessons-Learned from set-backs

- SSMIRP "false start" > exaggerated expectations
- Competition SSMIRP-REP
- Overload of expatriate management > slow transition to local management

3 The key ingredients contributing to the achievements

3 The key ingredients which contributed to the achievements

- First and foremost, the will of the people in Southern Serbia combined with the positive approach of the (then) Government of Serbia which allowed the international support for conflict resolution to intervene and succeed
- The trust in the absorption capacity of local institutional capacities of innovative approaches
- The more institutional capacity advanced municipalities grasped the opportunity provided and gave momentum to an expansion of their institutional capacities into the creation of a Southern Serbia regional development initiative of local authorities
- The “bottom-up approach”, linked with strong capacity building activities targeting the local authorities and making them operate in synchronization with their constituency Absolute multi-dimensional enthusiasm to participate ...
- As from the design phase the PCG-SSMIRP clearly targeted local institutional capacity building :
 - *“While an indicative set of priority actions, based on initial needs assessments, is described below, the program will go through a 3 month start-up phase where further participatory needs assessment will be conducted and investments in building local inclusionary decision making structures will be prioritized. The existence of a local decision making framework that involves communities and municipal level leaders is a critical objective of the first phase. Without the existence of such a framework, the program risks being externally driven and undermining its own objectives.”²⁷*
- As from the design phase the PCG-SSMIRP clearly focused on process over output :
 - *“The Program is designed to be demand-driven, and municipal governments and the communities themselves will have a pivotal role in defining the specific priorities of the program.”²⁸*
- It was at all times the intention of the PCG-SSMIRP program to be flexible :

²⁷ See References in Annex 2 (Ref.#4: PCG Agreement – p. 8)

²⁸ See References in Annex 2 (Ref.#4: PCG Agreement – p. 9)

3 The key ingredients contributing to the achievements

- *“The proposed program is envisaged as a multi-donor initiative with distinct, flexible, responsive but integrated components. Taking account of the unpredictable environment of the program area, the program will be undertaken in a series of inter-related phases triggered by increasing political stability in the area and by government actions to ensure inclusive, participatory decision making bodies in the area.”²⁹*
- A coordinated intervention targeting peace-building and socio-economic recovery with large and broad-based participation of the stakeholders
- Specifically targeting the local authorities for leading their own municipal development funds (MDFs) as well as re-grouping them in a “Regional Steering Committee”
- The Municipal Fund Concept
- Clear but detailed rules of the game : (i) Memorandum of Understanding (MOU) with the Central Government; (ii) MOU with Steering Committee; (iii) MOUs with municipal authorities requiring municipal cost-matching; (iv) an Operations Manual; (v) an information and outreach campaign to the public-at-large; and last-but-not-least (vi) strict enforcement mechanisms of the above in a participatory modality with all the stakeholders.
- The integrated regional approach : by including the surrounding municipalities which do not have the same ethnic mixed composition and were not specifically target of the crises, but which were affected by it,
- **What were the odds?**
 - Post-conflict situation ... : It is evident that very high credit lies with Mr. Covic and the central government, as well as with the ethnic Albanian leaders in the Presevo valley for having delivered on their mutual promises. Without this context, whatever assistance would have been irrelevant;
 - multi-ethnic dimension
 - economic hardship ...
 - legacies of the previous regime .. : *“One of the former Yugoslavia's greatest difficulties is its past success. Many citizens remember several periods through the last 40 years in which economic progress was considerable. Because of this, many Serbians see progress as starting with a return to the 1980s, and see no reason to challenge their*

²⁹ See References in Annex 2 (Ref.#4: PCG Agreement – p. 8)

3 The key ingredients contributing to the achievements

concepts of that era. To alter this culture of complacency is possibly the greatest development challenge.”³⁰

- **Where is there room for improvement?**
 - More reliance on local institutional capacity BUT : post-conflict conditions are hard to measure from outside
 - More focus on process over output BUT : visibility is important to rally the stakeholders and beneficiaries
 - Better manage expectations

³⁰ See References in Annex 2 (Ref.#8: SSMIRP-REP evaluation report July 2003 – p. 10, --, Halifax/D.Lythgoe)

Annex 1Annex 1Some more technical information on the workings of the SSMIRP-program

The impact of SSMIRP in Southern Serbia, and in particular in the six municipalities of Presevo, Bujanovac, Medvedja, Vranje, Leskovac and Lebane is evidently a consequence in function of a multitude of factors. These factors have been developed in detail in the above working paper.

What has been attempted was to install a series of management tools, both of conceptual and operational nature, with the intention to delegate decision-making and management to the local authorities in concert with their constituents.

The following is an overview of the content of these conceptual and operational management tools :

	Overview	
Ann.1-1	The Municipal Fund Concept <i>(June 2002)</i>	13 - 15
Ann.1-2	Outline of the SSMIRP Operations Manual <i>(Dec. 2002)</i>	16
Ann.1-3	The SSMIRP Program and Subproject cycle	17
Ann.1-4	Data on Municipalities participating in the MIR-follow-up program (EAR-funded)	18

Annex 1 - 1. The Municipal Fund Concept**1. The Municipal Fund Concept** (June 7, 2002)

The purpose of the fund is to provide a local, transparent mechanism to finance small-scale initiatives identified by Municipal Development Committees according to the procedures set out in the SSMIRP Operational Manual. This is the only purpose that these Funds can be used for.

I. Rationale for Creating Individual Municipal Funds for each Municipality Participating in SSMIRP

(This document should be read in conjunction with the SSMIRP Operational Manual)

The Municipal Fund strategy is proposed so that:

- Municipalities, Municipal Development Committees and citizens of each municipality can have a clear idea of how much money is available for SSMIRP grants and set priorities for grant funding based upon how much total money they have available;
- Unrealistic expectations about how much money is available for SSMIRP grants in each municipality can be avoided;
- Municipal governments can be provided with a strong incentive and an easy mechanism for providing co-financing for activities supported by the MDC's;
- Because funds will grow in each municipality based upon municipal involvement and perceived needs, individual municipalities can move at their own pace and according to their own circumstances;
- A foundation can be built for sustainable, long-term funds for civil society activities in each municipality and partnerships between local government and civil society.

II. Establishing and Replenishing Each Municipal Fund

1. A municipal fund will not be established in a given municipality until the SSMIRP Operational Manual is agreed to by the municipal administration;
2. At first, some SSMIRP grants can be made through direct disbursement by SSMIRP prior to the establishment of the municipal funds;
3. Initial Establishment of Individual Municipal Funds :
 - A bank account is established in each municipality of Southern Serbia. This account represents the Municipal Fund for that municipality;
 - each account has two signatories: the Mayor over the Municipality and the SSMIRP project manager. Disbursements from the account can only be made with the presence of *both* signatures. Neither the Mayor nor the SSMIRP project manager can access these funds without the other's signature;

Annex 1 - 1. The Municipal Fund Concept

- SSMIRP puts \$25,000 into the account as start up funds. Either the Municipality or the government of the Republic of Serbia matches this week another \$25,000.
4. The amount of funds available in each individual Municipal Fund can be increased through contributions. For each additional amount contributed by a municipality to its Municipal Fund, SSMIRP will make a matching contribution to that Municipal Fund. The amount contributed by SSMIRP needs to be agreed upon in advance;
 5. There are several options for deciding how much SSMIRP contributes to each Municipal Fund. This options include :
 - All municipalities to receive matching funds equally. For each dinar provided by a municipality, SSMIRP will provide one dinar;
 - municipalities will receive matching funds based on some formula which might include factors such as : (1) relative poverty of each municipality; (2) size of population of municipality; (3) performance of past projects approved by MDC's in an individual municipality; (4) special circumstances such as the impact of conflict on specific municipalities; (5) other factors;
 - SSMIRP might match municipal contributions at different rates (1/1, 1/2, 1/3, etc.) in different municipalities based upon some or all of these factors through a formula agreed upon jointly by the SSMIRP project manager and the Regional Steering Group;
 - The formula might change over time. The SSMIRP contribution might be reduced over time or the formula might change as the economy of the municipality improves, or due to other factors. Any change in the formula would be agreed to by the regional steering group of SSMIRP .
 6. Under the current funding of SSMIRP, the maximum amount available for any single project funded through the Municipal Fund in each municipality would be (\$ 10,000? Or \$15,000? Or \$25,000?);
 7. ***Under the current funding of SSMIRP, the maximum amount available to any single municipality in SSMIRP funds would be \$100,000.*** Adding municipal/republican contributions, this would mean a potential \$200,000 fund for each municipality. If SSMIRP funds increase, this maximum amount can be raised. There may also be other ways to expand the amount of money in individual Municipal Funds;
 8. Other international donor agencies can also contribute to the Municipal Fund. UNDP and SSMIRP, in partnership with the Mayors and with the regional steering group will work to encourage such contributions. Such contributions can be made through UNDP (in which case a 5% portion of the contribution agreed with the donor can be retained by SSMIRP to finance its program) or such contributions can be made directly to the Municipal Fund;
 9. Private individuals, commercial operations or NGOs can also contribute to the Municipal Fund. SSMIRP will make a matching contribution to the Municipal Fund for any contribution made from these sources up to the ceiling mentioned in para. 6.

Annex 1 - 1. The Municipal Fund Concept

Given the current economic situation, such contributions may be difficult in the short-term. But, with time, they may increase. Municipal Funds could eventually become self-sustainable Civil Society Foundations in each municipality.

III. Disbursements from Each Municipal Fund

1. Disbursements from each Municipal Fund would be made to support projects agreed to by municipal development committees. (It may also be possible that Municipal Funds could also accept contributions for other programs such as REP, CHF, etc. but this would require some elaboration and review or how this could be done);
2. The procedure for disbursement from each Municipal Fund would be as follows:
3. SSMIRP may undertake its own evaluation if it wishes to independently assure itself that the process described in the Operations Manual has been followed;
4. Neither an individual Mayor nor SSMIRP have any responsibility or authority to refuse to sign disbursements from the Municipal Fund in a given municipality except where they believe that the SSMIRP procedures have not been followed correctly. Any disagreement between SSMIRP and an individual Mayor regarding individual disbursements would be submitted to do to the Regional Steering Group for arbitration;
5. After a certain period, the necessity of SSMIRP co-signature on disbursements could disappear and full control of the Municipal Fund could be given to an individual Mayor, although the MDC would need to have some mechanism to ensure that the Municipal Fund continues to disburse only according to the procedures of the Operations Manual. Such a transition in control could possibly be based upon a period of time (1 or 2 years), or on an amount which has been disbursed through the fund (perhaps \$500,000), or on some measure of performance of the fund based upon an external evaluation ... or on a combination of these three factors. It is possible that different municipalities could move at different speeds towards this transition.

Annex 1 - 2. Outline of the SSMIRP Operations Manual**2. Outline of the SSMIRP Operations Manual****Volume 1 : Operations Manual : Policy and Guidelines**

Target Audience : The Municipal and Regional Authorities, PMU & Donors

Volume 2 : Operations Manual : Summary of Operational Procedures

Target Audience : The Municipal and Regional Authorities, PMU & Donors

Volume 3 : Operations Manual : The Operational Procedures

Target Audience : PMU at various levels, implementing parties, MTU, MDC,

Vol.3-Section 1 : Institution Building & Investment Strategy and Planning

- (i) Graphic presentation of the Program and Subproject Cycle
- (ii) Demand & Commitment-Driven Participation by the Municipalities
- (iii) Investment Strategy and Planning
- (iv) Management of the Municipal Program Account(s) & Subproject Cycle
- (v) Training & Institutional Capacity Building (TICB)

Vol.3-Section 2 : Identification and Approval of Subprojects

Vol.3-Section 3 : Implementation of Subprojects

Vol.3-Section 4 : The Management Tools :

- (i) Program Management (PM)
- (ii) The Operations Manual (OM)
- (iii) Memorandum of Understanding (MOU)
- (iv) Financial and Administrative Management (FAM)
- (v) Procurement (Proc)
- (vi) Monitoring & Evaluation (M&E)
- (vii) The Management Information System (MIS)
- (viii) Reporting (RPT)

Volume 3 : Operational Procedures re-organized according to "users" :

(the procedures in the "user-folders" below are extracted from the Vol3-Sections 1>4 above)

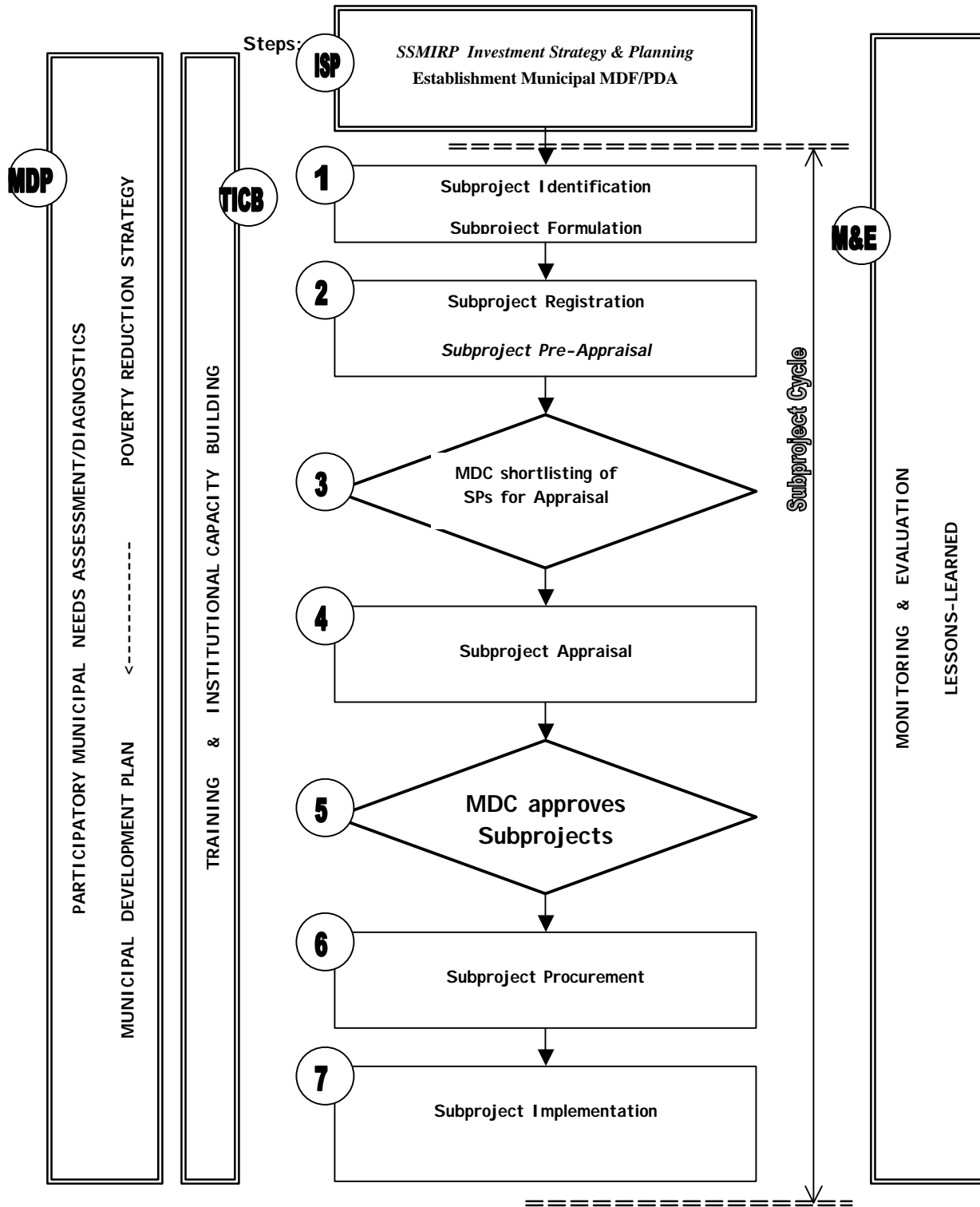
- Vol.3-RSC : Operational Procedures to be applied by the Regional Steering Committee (RSC) (including "inter-municipal" subprojects) (**same as Vol.3Section 1 above**)
- Vol.3-PMU : Operational Procedures to be applied by the Program Management Unit (PMU) (**Sect. 1>4**)
- Vol.3-MTU : Operational Procedures to be applied by the Municipal Technical Units (MTU)
- Vol.3-MDC : Operational Procedures to be applied by the Municipal Development Committees (MDC)
- Vol.3-MMA : Operational Procedures to be applied by the Municipal Mayor & Assembly (MMA)
- Vol.3-PRIP : Operational Procedures to be applied by Proponents & Implementing Parties (PRIP)

Volume 4 : Operations Manual : Public Information Documentation (PID)

Target Audience : End-beneficiaries & Public-at-large

Annex 1 - 3. The SSMIRP Sub-Project Cycle

3. The SSMIRP Program and Sub-Project Cycle



Annex 1 - 4. Data on Municipalities participating in MIR (EAR-funded)**4. Data on Municipalities participating in MIR (EAR funded)**

	Population (1991)	Population Density (per km2)	% farm house holds	Income/ inhab. Dinar (2000)	Ethnic Diversity (%)				Assessed Instit. Capacity
					Serb	Alban.	Roma	Other	
<i>Republic Serbia</i>	9,778,991	111	41.2%	35,492		0.6			
Central Serbia	5,808,906	104	41%	32,443		1			
Jablanica District	255,011	92	57.6%	21,062		1.2			
Bojnik	18,801	71	79.4%	20,063				-	
Vlasotince **	36,002	117	67.8%	18,969				-	
Lebane *	28,229	84	61.9%	16,999	81	10	9	-	
Leskovac *	147,487	144	50.6%	23,364	84	1	15	-	
Medvedja *	20,792	40	70.5%	9,259	68	28	4	-	
Crna Trava **	9,672	31	78%	13,964				-	
Pcinjski District	243,529	69	52.1%	26,166		21%			
Bosilegrad	17,306	30	73%	15,508	10	-	-	90	
Bujanovac *	43,522	94	63.1%	17,640	29	60	11	-	
Vladicin Han	25,231	69	60.5%	30,879	93	-	5	2	
Vranje *	72,209	84	36.6%	44,538	85	-	5	10	
Presevo *	30,057	114	65.9%	6,134	6	91	3		
Surdulica	29,494	47	51.3%	19,895	71	-	-	18	
Trgoviste	12,556	34	71.2%	17,099	98	-	-	2	

(*) Lebane, Leskovac, Medvedja, Bujanovac, Vranje and Presevo are receiving support through the existing SSMIRP program.

(**) 11 of 13 municipalities are scheduled to receive support from MIR in phase 1 (2003-2004) and all 13 in phase 2 (2005-2006): Vlasotince and Crna Trava are scheduled to enter the program in phase 2;

Annex 2Annex 2References, Reference List of Stakeholders and List of Acronyms**References**

-
- 1 **Report of United Nations Inter-Agency Assessment Mission to Southern Serbia – March 2001**
 - 2 **INFORMATION on the security situation in the communes Bujanovac, Presevo and Medvedja, with the proposals of measures for the solution of the crisis** [Covic Plan/The Coordination Body of the Federal and the Republican Governments] February 6th, 2001
 - 3 **Document “The Delegation of Presevo, Medvedja and Bujanovac Region Albanians PRESENTS ‘THE PLATFORM” for prevention of the armed conflicts and crises solution in Presevo, Bujanovac and Medvedja Region – (The Albanian Platform) – received by UNDP 23 April 2001**
 - 4 **Post Conflict Fund Grant Agreement for Southern Serbia Municipal Improvement Program** (World Bank - PCF Grant No. 191) – 13 August 2001
 - 5 **Review Of International Assistance For The Southern Serbia Recovery Program (Stocktaking)** [United Nations Inter-Agency Operation in Southern Serbia] 8 – 17 November 2001 (Piet Goovaerts)
 - 6 **Rapid Employment Program in Southern Serbia – Agreement EAR/UNDP –** (Project No. YUG/02/Q01 – EAR ref. No.: 01/SER03/03/001) – 29 May 2002
 - 7 **Interim Poverty Reduction Strategy Paper for the Republic of Serbia – June 18th, 2002**
 - 8 **(draft) SSMIRP & REP Evaluation Report** [UNDP-Vranje] July 2003 (prepared by Halifax Consulting, David Lythgoe)
 - 9 **Minutes of the Regional Steering Committee meetings**
 - RSC #1 : Bujanovac
 - RSC #2 : Vranje
 - RSC #3 :
 - 10 **World Bank Supervision Mission Aide Memoirs**
 - November 21, 2001
 - ...
 - December 6, 2003 (last supervision mission)
 - 11 **SSMIRP Activity Report - December 2003**

Annex 2**Reference List of Stakeholders**

(*) L : local N: National I: International				
	Name	Function	Organization	L/N/I (*)
1	(till --- 2003) Stojanca Arsic (after --- 2003) Nagib Arifi	Mayor Bujanovac	Municipality	L
2	(till --- 2003) Ljiljana Cvetkovic (after --- 2003) Zoran Ivkovic	Mayor Lebane	Municipality	L
3	(till --- 2003) Dragoljub Zivkovic (after --- 2003) Gojko Velickovic	Mayor Leskovac	Municipality	L
4	Slobodan Draskovic	Mayor Medvedja	Municipality	L
5	Riza Halimi	Mayor Presevo	Municipality	L
6	Miroljub Stojcic	Mayor Vranje	Municipality	L
7	Ljotic Tomislav	Head Prcinski District	District	L
8	Milorad Milicevic	Head Jablanica District	District	L
9	Mr. Nebosja Covic	Dep. Prime Min.FRY	Federal Minister	N
10	Mr. Lhaj	Min.Minorities	Serb-Govt.Min	N
11	Mr. Markovic Milovan Coguric		JCB	N
12	Milan Subotic		JCB	N
13		Members MDF Bujanovac	MDF	L
14		Members MDF Lebane	MDF	L
15		Members MDF Leskovac	MDF	L
16		Members MDF Medvedja	MDF	L
17		Members MDF Presevo	MDF	L
18		Members MDF Vranje	MDF	L
19				
20	Mr. Frank O'Donnell	UN-Representative	UNDP	I
21	Mr. Peter Simkin	UNDP-Rep-Vranje	UNDP-Vranje	I
22	Ms. Juliette Hage Mr. Paul Randolph	UNDP-DepRep UNDP-Program Officer	UNDP-Belgrade	I
23	Mr. Herman Gebauer Mr. Javier Alvarez Ms Ann Foley	Manager (till Apr.02) Manager Operations manager	UNDP-SSMIRP	I

Annex 2

24	Mr. Tom Thorogood Mrs. Tatjana Strahinjic-Nikolic	Project Manager Deputy PM	UNDP-MIR	I
25	Mr. Janis		UNDP-Vranje	I
26	Mr. Saifullah Khan	Manager REP	UNDP-REP	I
27	Mr. Michael Scott Mr. Fred Fripiat		UNDP-REP-MIR	I
28	Mr. Wout Soer		EAR	I
29	Mr. Rory O'Sullivan Mr. Michael Gascoigne	WB-Representative Finance Mngt Specialist	WB-Belgrade	I
30	Ms. Vesna		WB-Belgrade	N
31	Mr. Steve Holtzman Mr. Giuseppe Zampaglione Ms. Paula Lytle	TTL TA-Dutch TF	WB-Washington	I
32	Mr. Piet Goovaerts Mr. David Lythgoe	TA-Dutch TF Consultants/Evaluation	Halifax Consultants	I/N
33				

Annex 2**List of Acronyms**

CB	Coordination Body
GSZ	Ground Safety Zone
INGO	International NGO
MDC	Municipal Development Committee
MDF	Municipal Development Fund
MEP	Multi-Ethnic Police
MIS	Management Information System
MTU	Municipal Technical Unit
PRSP	Poverty Reduction Strategy Paper
ROM	Results-Oriented Management
REP	Rapid Employment programme
RR	Resident Representative
RSC	Regional Steering Committee
SCTMY	Standing Conference of Towns and Municipalities in Yugoslavia
SIDA	Swedish International Development Agency
SITREP	Situation Report
SLGRP	Serbia Local Government Reform Program
SRF	Strategic Results Framework
SSMIRP	South Serbia Municipal Improvement and Recovery programme
TA	Technical Assistance
TNA	Training Needs Assessment
UCPMB	Presevo, Medvedja, Bujanovac Liberation Army
UNDP	United Nations Development Programme
UNHCHR	United Nations High Commissioner for Human Rights
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's and Educational Fund
UNOCHA / OCHA	United Nations Office for the Coordination of Humanitarian Affairs
WB	World Bank