



SERBIA AND MONTENEGRO DEVELOPMENT THROUGH LOCAL INTEGRATION

Review of Local Integration Programme and
Appraisal of Opportunities for Local Integration
in Development Planning Instruments



August 2004

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Executive Summary

This report represents the findings and recommendation of a mission for the Review of the Local Integration Programme and Appraisal of Opportunities for Local Integration in Development Planning Instruments. The review and appraisal were undertaken in the Union State of Serbia and Montenegro in May/June 2004.

As the main focus of the mission was on the local integration of refugees, this forms the majority of the report although mention is made of IDPs where relevant and a brief look is taken at resettlement and repatriation as alternative durable solutions to local integration. There are of course gaps and limitations, but it is hoped that the report highlights most of the more pressing issues.

The main findings and recommendations¹ are summarised as follows:

1. Comparison with the Framework for Durable Solutions:

- a) In comparison with the Framework for Durable Solutions, which includes Development through Local Integration², much progress has been made, especially in the Republic of Serbia. The stakeholders have come together and supported the Government in the preparation of a National Strategy for Resolving the Problems of Refugees, and in actively promoting the inclusion of refugees, IDPs and RAEs in the Poverty Reduction Strategy Paper (PRSP). In addition refugees, IDPs and RAEs are covered in the UN Development Assistance Framework (UNDAF) for Serbia and Montenegro. In the Republic of Montenegro the National Strategy for Refugees is still at the drafting stage, and Government has not yet adopted the PRSP. The proposed PRSP does address the concerns of refugees and IDPs.
- b) Despite agreement among humanitarian actors, and taking into account some notable exceptions, much of the development work, that is taking place within Serbia, is geared towards institutional reform and capacity building at government level, with fewer programmes addressing the immediate needs of the vulnerable members of society. Institutional reform is indeed necessary, but the mission questions the balance between long-term benefit and immediate need. Many of the agencies interviewed by the mission, mentioned that their programmes follow the wishes of the government, and therefore an increase in the share of funds going to projects and programmes immediately addressing the needs of vulnerable groups, including refugees and IDPs, would need to begin with a strong commitment from government that this is one of their priorities for assistance.
- c) Joint planning is taking place within the framework of the CCA and UNDAF processes, but there is no comprehensive overview of all actors and their programmes, which address refugee issues, either directly or as part of more general programmes for vulnerable sections of the population. Information on programmes is available but in some cases scattered and difficult to access. A simple tracking form could be established which could be up-dated either by the database team within SCR, and/or through UNHCR, by officials recording the results of their meetings with government and agencies. This could be used in support of the donor coordination efforts of the SCR, which in turn could feed into the coordination activities of MIER in Serbia.
- d) The national strategy for refugees in Serbia provides the basis for resource mobilisation with clear goals and required budget. The government has made progress in attracting

¹ Many of the recommendations follow Government thinking and that of their partners, and therefore should be seen as reinforcing current initiatives.

² Framework for Durable Solutions for Refugees and Persons of Concern, UNHCR, Geneva, May 2003.

funding from bilateral development agencies and multi-laterals and IFIs. The government has secured funds from EAR to assist in the programme of collective centre closures and in strengthening the SCR's office and outreach, and they are negotiating with CEB for a loan for social housing. The inclusion of refugees in the PRSP, means that any funding attracted towards vulnerable groups under the PRSP will be at least partly accessible to refugees. Before some funds can be accessed, there is a need to address the operation and legal frameworks at national and local level.

- e) The legal pre-conditions for local integration - access to land, employment, services, freedom of movement, identity documents, access to the judicial system, and eventual opportunity to be granted citizenship - are very favourable in Serbia. In Montenegro, the concept of local integration has not been accepted, which is reflected in the fact that refugees have no right to work, very limited access to health care and no possibility of acquiring citizenship.

2. Review of Development through Local Integration:

- a) The Government in Serbia has shown great willingness to assess the condition of refugees and to promote solutions for their repatriation or local integration. The access of refugees to services, employment/ income generating activities, and to housing assistance, has eased the process of local integration considerably.
- b) The provision of permanent housing began in 1997 and to date, in Serbia and Montenegro, at least 3,620 families have been assisted with housing solutions, and by the end of 2004, 730 elderly or vulnerable people will be accommodated in institutions or social housing in a supportive environment. Families who have participated, especially in self-help and semi-self-help building schemes are proud of the achievement and committed to making a success of their new lives in their new homes.
- c) At least 12,000 individuals have been assisted with loans from micro-financial institutions aimed at starting or improving their income generating activities. In addition, soft loans for start-up and grants for income generating programmes have been provided through a variety of international agencies and NGOs. Many families are now managing to earn sufficient income to at least cover their immediate needs and others are developing small businesses with reasonable incomes.
- d) UNHCR through partners, DRC and IRC have delivered vocational training to 1,175 refugees in Serbia in the period 2001 to 2003. Prior to this period, a larger budget had been available and therefore more vocational training had been carried out.
- e) In Serbia, refugees can take up employment and are accessing services: schools, medical services, and social services. Vulnerable groups are being supported through the MLESP, Municipal Centres for Social Work and local NGO networks providing outreach support.

Household/community/municipality level

- f) Food Security: It was estimated that some 40,000 vulnerable and poor refugees³ would need food aid in 2004 out of a total of 290,000 refugees (14%). However, the food should be seen in these cases as an income supplement rather than covering a lack of food in the market. A joint assessment of the income, food and fuel situation, as it relates to refugees, IDPs and vulnerable nationals, should be carried out and the necessary funds sought to cover the needs.
- g) Access to Services: The governments have severe budgetary constraints and high demand for social welfare services. Even if people acquire citizenship as their durable solution, the level of national support for vulnerable families will not cover even their basic needs.

³ Figures vary from 30,000 to 50,000.

It should be noted, that sections of the refugee population are getting older and are more often sick, thus their self-reliance is reducing rather than increasing.

The Centres for Social Work in the municipalities are under-funded, and the influx of refugees (and IDPs) has put additional strain on their meagre resources. It is recommended that the funding of the network of local NGOs, who provide much needed outreach and psychological support to vulnerable refugees and IDPs, be continued. It would be best if this could gradually be expanded to include local vulnerable cases, and a broader range of material support.

The MLESP may wish to consider forming a joint working group together with local practitioners and agencies to share experiences and develop best practices on care in the community and the use of outreach teams.

- h) Access to accommodation and the closure of Collective Centres: The ownership of all houses, built for or together with refugees, should be made over to the refugee families (women and men together) as swiftly as possible.

PIKAP (cash and in-kind grant) is being offered as the foremost assistance to transition from living in a collective centre to living in private accommodation. There needs to be an evaluation of the families that took PIKAP 12 months ago, so that the impact can be understood, and if necessary, adjustments made to the programme to make it more effective. PIKAP should be offered to IDPs as well as refugees who are leaving collective centres.

Assistance is being offered through provision of building materials for the completion of unfinished housing started by refugees. This is not available to those building on non-registered plots. The resources available to refugee families to build or acquire property are directly influenced by the process of restoration of property in countries of origin, and support in this area should continue.

The rural municipalities would like to see assistance to refugees to allow them to purchase and repair empty houses, rather than build new ones, once housing loans can be arranged.

With the phasing out of the housing programme, some of the refugees and IDPs in poor private accommodation will not have the opportunity to improve their living conditions in the near future. The focus for those beneficiaries that do not have access to building plots, should be on income generating activities, vocational training, grants and credits, in an effort to provide sufficient income, so that when funds become available for social housing, they will be financially in a position to take up these opportunities.

Monitoring should be carried out of all social institutions built or extended through support to refugees and IDPs, whether supported by UNHCR or another agency. This will establish if such models can be funded and sustained by government and municipalities given the budgetary constraints they face. Such information may strengthen the case for either additional institutions or extension of care in the community.

- i) Access to financial services: Individuals who have accessed grants and soft loans have used these to start small income generating activities, and these activities have acted as a springboard to allow them to go on to take out credit from micro-finance institutions, under more demanding conditions. It is necessary to continue grants and if possible re-introduce soft loans, as the short grace period and the guarantor issues related to micro-finance can be a barrier for some refugees and IDPs.
- j) Access to market and trade: This was not put forward by refugees as a problem, (some IDPs are facing constraints), however, continued access to markets and trade needs to be monitored to see if new legislation designed to reduce the “grey economy”, is affecting the ability of refugees and IDPs to pursue their income generating activities.
- k) Social capital – skills and resources (training): Vocational training is a specialised subject, and as such it would be profitable to gather some lessons learned and look at good practices (e.g. modern apprenticeships) to determine the focus for future programmes.

Also profitable, would be an examination of the national vocational training programmes, available to all sections of the population, to ascertain how they might address some of the needs of refugees.

- l) Community organisation, solidarity and social cohesion: In general, there were good relations between refugees and their local national neighbours, with refugees citing examples of kindness and cooperation. In rural municipalities with dwindling and aging populations, the arrival of the refugees has breathed new life into the area, and helped increase the number of young people. The refugees are regarded as being skilful and it is thought that they can influence the local population with respect to seeking solutions to their own poor economic condition.

In areas with non-Serb national population, there was some anxiety about the change in ethnic balance due to an influx of Serb refugees and IDPs. In some areas these fears have diminished and the refugees have been accepted, but in others, the clear message is that repatriation should be encouraged as the only choice of durable solution for refugees and that the international community is not doing enough to bring that about. Programmes of peace-building and promotion of tolerance, especially among youth should continue.

Only a few of the social housing or buildings for health institutions, have benefited a small number of the vulnerable population from the local community. Too many of the family-based housing programmes have been exclusively for refugees, despite demands on the municipality's resources in terms of plots and infrastructure. In some cases grants and loans for income generating activities have also been exclusively for refugees - or refugees and IDPs - thus not benefiting the hosting communities. In future, all refugee / IDP programmes should include a minimum of 5-10% of the vulnerable local population as beneficiaries.

National Level

- m) The economies of Serbia and Montenegro have not improved as swiftly as was anticipated and therefore the expected increase in government budget has not materialised. As a result, a gap has emerged between the phase-out of humanitarian assistance and the pick-up of the government's own resources. This is further affected by the slow increase in development assistance. These constraints were recognised in the report of the Assistant High Commissioner, UNHCR, from his visit to the Balkans in March 2004.
- n) All humanitarian and development actors should support the Serbian Government in the implementation of the national strategy for refugees and in lobbying for development funds for direct pro-poor interventions.
- o) The Government should be supported in their efforts to develop policy and legal frameworks for:
- i. social housing and a social housing fund;
 - ii. NGOs operating in Serbia;
 - iii. micro-finance institutions operating in Serbia;
 - iv. agricultural land reform.
- p) The Government is being assisted with a re-registration process in Montenegro, which started in June, and with a re-registration process in Serbia due to start in October. There is a need to make this a regionally verifiable exercise linked to Croatia and Bosnia-Herzegovina, however, there is no proper legal framework on data protection. Regional support for the enactment of a proper legal framework should be sought.
- q) UNHCR specific recommendations:
- i. the UNHCR in Belgrade and the Europe Bureau should continue lobbying internally within UNHCR HQ for a slower phase-down of assistance and at the minimum, retention of present budget levels. They should also support the SCR and the MCDP in lobbying to arrest the decline in the levels of humanitarian assistance received from other agencies and organisations;

- ii. the reduction in field offices should be reconsidered in the light of the continuing humanitarian needs of the vulnerable refugees and IDPs;
 - iii. The role of UNHCR (in the field and in Belgrade) should change from that of implementer to that of assisting the MCDP and SCR in monitoring how the various development programmes are addressing the needs of refugees and IDPs - where are they operating geographically, with what types of assistance, what number of beneficiaries and duration of assistance (e.g. public works opportunities, income generating programmes, credit, grants, etc.) This would be in addition to continuing to assist in the monitoring of humanitarian programmes. This would support the MCDP and the SCR in their efforts to coordinate donors and identify gaps, and ultimately feed into the work of MIER in Serbia;
 - iv. The Country Operation Plan for 2005 should remain, but be adapted to take into consideration the recommendations, and with a slight change of emphasis to enable the urgent humanitarian needs to be addressed;
 - v. The UNHCR should maintain its role as a neutral organisation in assisting others to identify beneficiaries from among refugees and IDPs;
 - vi. UNHCR should examine how best to assist local NGOs to redirect their work to fit within a development framework and towards partnerships with development actors;
 - vii. In a protracted refugee situation, and when working with programmes such as housing, the use of a one-year budgeting system is inappropriate and this should be reviewed.
- r) For future refugee situations: The earlier development actors can be included in planning for refugee programmes, the better, even if the development partners are not in the country, their advice should be sought. This in turn, should lead to an easier transition from humanitarian to development assistance, when the time comes.

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Acronyms

<i>ABS</i>	<i>Arbeiter-Samariter-Bund</i>
<i>CC</i>	<i>Collective Centre</i>
<i>CCA</i>	<i>UN Common Country Assessment</i>
<i>CHF</i>	<i>Community Habitat Finance</i>
<i>CEB</i>	<i>Council of Europe Development Bank</i>
<i>DACU</i>	<i>Development Assistance Coordination Unit</i>
<i>DAR</i>	<i>Development Assistance for Refugees</i>
<i>DLI</i>	<i>Development through Local Integration</i>
<i>DRC</i>	<i>Danish Red Cross</i>
<i>EAR</i>	<i>European Assistance to Reconstruction</i>
<i>EBRD</i>	<i>European Bank for Reconstruction and Development</i>
<i>ECHO</i>	<i>European Commission Humanitarian Aid Office</i>
<i>FAO</i>	<i>Food and Agriculture Organisation</i>
<i>HQ</i>	<i>Headquarters</i>
<i>ICS</i>	<i>Italian Consortium of Solidarity</i>
<i>IDP</i>	<i>Internally Displaced Person</i>
<i>ILO</i>	<i>International Labour Organisation</i>
<i>IP</i>	<i>Implementing Partner</i>
<i>IRC</i>	<i>International Rescue Committee</i>
<i>MCDP</i>	<i>Montenegrin Commissioner for Displaced Persons</i>
<i>MCI</i>	<i>Ministry for Capital Investments</i>
<i>MDF</i>	<i>Micro Development Fund</i>
<i>MFI</i>	<i>Micro-Finance Institution</i>
<i>MIER</i>	<i>Ministry for International and Economic Relations</i>
<i>MLESP</i>	<i>Ministry of Labour, Employment and Social Policy</i>
<i>MRC</i>	<i>Montenegrin Red Cross</i>
<i>NGO</i>	<i>Non-Government Organisation</i>
<i>NOVIB</i>	<i>Oxfam, Netherlands</i>
<i>NRC</i>	<i>Norwegian Refugee Council</i>
<i>OHCHR</i>	<i>Office of the United Nations commissioner for Human Rights</i>
<i>RAE</i>	<i>Roma, Ashkaeli, Egyptian</i>
<i>SCR</i>	<i>Serbian Commissioner for Refugees</i>
<i>SDC</i>	<i>Swiss Agency for Development and Cooperation</i>
<i>SGBV</i>	<i>Sexual and Gender Based Violence</i>
<i>THW</i>	<i>Bundesanstalt Technisches Hilfswerk</i>
<i>UNCT</i>	<i>United Nation Country Team</i>
<i>UNDAF</i>	<i>United Nation Development Assistance Framework</i>

<i>UNDP</i>	<i>United Nation Development Programme</i>
<i>UNHCR</i>	<i>Office of the United Nations High Commissioner for Refugees</i>
<i>UN-HABITAT</i>	<i>United Nations Human Settlements Programme</i>
<i>UNICEF</i>	<i>United Nations Children’s Fund</i>
<i>UNOPS</i>	<i>United Nations Office for Project Services</i>
<i>USAID</i>	<i>US Agency for International Development</i>
<i>USDA</i>	<i>US Department of Agriculture</i>
<i>WFP</i>	<i>World Food Programme</i>
<i>WHO</i>	<i>World Health Organisation</i>

1 BACKGROUND

1.1 COUNTRY CONTEXT⁴

After a long gestation period, the former Federal Republic of Yugoslavia has gone through the process of creating the new State Union of Serbia and Montenegro as prescribed by the Constitutional Charter adopted by the republican and federal parliaments in February 2003. The Agreement is a transitional solution limited to three years and a political compromise aimed at stabilisation of the country and an opportunity for both, Serbia and Montenegro, to harmonise their economic systems and prepare for eventual accession to the EU, which has been proclaimed one of the country's strategic goals. Nevertheless, the differences between the two republics remain substantial and the State Union functions with considerable difficulties (e.g. national currency in Serbia is Dinar while Montenegro uses Euro, Montenegro does not contribute to the State Union treasury, different visa requirements for the foreigners, different customs for the variety of imported goods, etc.).

Economic progress in the country has been slower than expected. An increase in average salaries has been accompanied by an increase in the number of unemployed. Humanitarian aid is waning as Serbia and Montenegro move their focus towards development. Assistance from the international community for development is partly possible due to their emergence from international isolation. To date, development assistance has focused predominantly on the energy and infrastructure sectors and not on poverty alleviation and social welfare.

The political instability and presence of organised crime can be expected to discourage foreign investors and slow the economic recovery; however, the assassination of Prime Minister Djindjic should not halt the progress of economic reforms. In particular, European Union support should help to stabilise and improve the country's economic outlook. However, some international support to the country is contingent on co-operation with the Hague Tribunal. The Republic of Montenegro, the smaller partner in the State Union, to the lesser extent suffers from political instability. Montenegro continues with reforms in order to meet the EU accession criteria.

With the exception of three Southern Serbian municipalities Presevo, Bujanovac and Medvedja, the security situation in Serbia and Montenegro has improved significantly, permitting unhindered operations. In recognition of this fact, the UN Security Phase in the country was lowered to No Phase at the beginning of 2003, but had to be raised temporarily again to Phase One in March, only in Serbia, during the state of emergency declared by the Serbian Government after the assassination of the Prime Minister Zoran Djindjic. The UN Security Phase is predicted to remain at No Phase level throughout 2004.

The situation in and around Kosovo province heavily influenced the domestic politics in the State Union as well as the country's international relations. After early initiatives of the late Serbian Prime Minister Zoran Djindjic, the stalemate lasted until late 2003, when the dialogue between the transitional authorities in Kosovo and the Government in Belgrade on the subject of standards for Kosovo commenced under the auspices of the Special Representative of the Secretary General and the Head of UNMIK, Harri Holkeri. The security situation inside the province remained precarious for the ethnic Serb, Roma, Ashkelia and Egyptian returnees, as was clearly demonstrated in March 2004. Throughout the year the Government in Belgrade, manifested its discontent with the achievements of the international community in Kosovo.

In the regional context, the State Union of Serbia and Montenegro signed two bi-lateral agreements with Bosnia and Herzegovina (agreement on citizenship and agreement on the return of refugees) in 2003. The mutual lifting of the visa regime between the State Union and the Republic of Croatia helped further normalisation of relations and stabilisation of the region (the visa regime is to be revised in June 2004).

⁴ Expanded from UNHR country information

1.2 REFUGEES AND INTERNALLY DISPLACED PERSONS (IDPs)

At the beginning of 2004, the State Union of Serbia and Montenegro still hosted the largest number of refugees and Internally Displaced Persons (IDPs) in Europe. The numbers of Refugees and IDPs in the Union State of Serbia and Montenegro, as assessed in March of 2004, are as follows:

	Refugees		IDPs		Total
	Numbers	% of local population	Numbers	% of local population	Refugees & IDPs
Serbia	275,256	3.5%	207,639	2.5%	482,895
Montenegro	13,300	2%	18,019	2.7%	31,319
Total	288,556		225,658		514,214

These figures are less than the original numbers of refugees (566,000) and IDPs (228,500) that came to Serbia and Montenegro. There were three major influxes of displaced people: refugees from Bosnia and Herzegovina in 1991/92, refugees from Croatia in 1995/96 and IDPs from Kosovo and Metohija in 1999. There were a small number of refugees that arrived from Macedonia in 2001. The number of refugees has reduced by approximately 50%. This is a result of the regional return process to Bosnia-Herzegovina and Croatia, local integration in Serbia and Montenegro or resettlement programmes. There has only been a limited reduction in numbers of IDPs.

Refugees and IDPs are spread across the entire country. They are present in 160 municipalities in Serbia (this figure excludes Kosovo) and the 21 municipalities in Montenegro. Both the Republic Governments have a Commissariat for Refugees responsible for all refugee (and IDP) matters.

On arrival in Serbia, those refugees and IDPs without family and friends or means of making their own arrangements for housing, were accommodated in collective centres. Collective centres were either official – recognised by the Commissioner for Refugees or unofficial – those where people made use of empty buildings or were assisted through local initiatives. During 2003, 117 collective centres were closed and a further 206 are planned for closure in 2004 and beyond. Only a small percentage of refugees and IDPs (some 17,000) remain in collective centres, some of them in appalling conditions. In addition, some refugees housed in private accommodation are also living in extremely poor conditions. In Montenegro some Roma IDPs have been accommodated in camps and in many cases Roma have found shelter in the unplanned settlements in and around large cities both in Serbia and Montenegro.

In May 2002, the Serbian government adopted the National Strategy for Resolving the Problems of Refugees and Internally Displaced Persons and displayed a firm commitment to addressing the needs of refugees. In Montenegro, the Office of the Montenegrin Commissioner for Displaced Persons has initiated the process of drafting a basic document to be used as a blueprint for a future National Strategy for Refugees and IDPs.

In this post-emergency phase, UNHCR is increasingly focusing its activities on supporting the government in addressing the UNHCR core mandate/protection activities. These activities are addressing the three caseloads of concern to UNHCR: refugees and asylum seekers from outside the region and the building of asylum in Serbia and Montenegro, IDPs from Kosovo, and the refugee caseload.

The unresolved question of Kosovo's status and possible scenarios regarding this issue are the sources of additional concerns for UNHCR. The escalation of violence in March 2004, and further displacement resulting from it, underlines the fragility of the situation in the province and confirms

UNHCR's earlier assessments, warning that the lack of security and genuine freedom of movement, inability to access and repossess property as well as the lack of economic prospects makes the sustainable return extremely difficult to achieve.

A referendum on Montenegrin independence may take place in 2005 which, depending on the outcome, may impact UNHCR's operations in Montenegro by changing the legal status of IDPs (they will become refugees) if proper legislation at the time of state succession is not put in place.

1.3 POVERTY AND POPULATION VULNERABILITY

The tables below provide data on the vulnerable sections of the populations of Serbia and Montenegro. While the percentages of poor among refugees, IDPs and Roma are at least twice those for the national population, in number terms, there are many nationals living below the poverty line. It should also be noted that a further 20% of the total population are considered at risk of falling below the poverty line.⁵

Indicators of Poverty and Population Vulnerability in Serbia

	Serbia	Refugees and IDPs	Roma
% Below the poverty line	800,000 people	120,000 people	Statistics not available but known to be the poorest and most vulnerable group
Poverty line defined as US\$ 72 per month	10.6%	25%	
Population at risk of falling below the poverty line	20%	1.5 to 2 times greater than the national average	N/A

Source: Derived from the Serbia PRSP

Indicators of Poverty and Population Vulnerability in Montenegro

	Montenegro	Regular population	RAE ⁶ s	Refugees	IDPs
The assessed size of the population	100% (718.790)	92,4% (663.843)	2,7% (19.534)	1,9% (13.308)	3,1% (22.105)
Absolute poverty: Expenditure/expenses under the absolute poverty line (€ 116,2 per month per person)	12.2% (87.641)	9.6% (63.728)	52.3% (10.216)	38.8% (5.164)	38.6% (8.532)
% poor by group	100%	72.5%	11.7%	5.9%	9.9%
Economic vulnerability and absolute poverty: Expenditure/expenses below the absolute poverty line +50% (€173.4 per month per person)	34.4%	31.1%	75.6%	68.9%	73.2%

Source: The ISSP survey on household expenditure of Roma, refugees and IDPs, October 2003 and ISSP&WB Research on Poverty and Living Standards in Montenegro, June 2003, as provided in the PRSP.

⁵ PRSP - Serbia

⁶ Roma, Ashkaeli, Egyptian

2 THE TERMS OF REFERENCE FOR THE REVIEW AND APPRAISAL OF OPPORTUNITIES

The main themes of the Terms of Reference can be summarised into five main categories:

- i. analysis of existing development plans with reference to refugees and IDPs;
- ii. review of the progress in catering for refugees and IDPs in comparison with the UNHCR Framework of Durable Solutions;
- iii. review of the Local Integration Strategy and its implementation;
- iv. assessment of opportunities in development programmes; and
- v. the way forward and responsible phase down.

The full terms of reference are provided in annex A of this report.

2.1 METHODOLOGY

The mission in Serbia and Montenegro lasted for four and a half weeks, with additional time for pre-mission documentation study and post-mission report writing.

2.1.1 Tools Used and Stakeholders Consulted

The mission used the following methods:

- meetings with individuals and stakeholder groups – Government at national, municipal and community level, development agencies, humanitarian agencies, international and local NGOs, refugee and IDP associations, UNHCR staff ;
- household/group interviews – refugee female and male headed households, families in private accommodation, families in a variety of housing schemes including social housing, families in Collective Centres; families in Camps, resident national families, a youth group and an elderly group; and
- review of available literature and documentation.

Meetings were carried out using check-lists for conformity in the questions asked, and in order to allow comparison of replies. For many of the household interviews independent interpreters were used, so as to enhance the neutrality of the process.

2.1.2 Places Visited

The mission visited stakeholders in Zemun, Batajnica, Busije and Palilula – all within Belgrade, Kraljevo and Despotovac in the South of Serbia, Apatin in the North of Serbia and Podgorica, Danilovgrad and Berane in Montenegro. The choice of areas gave good coverage of the country within the time constraints of the mission, and allowed for meetings with a wide variety of refugees and IDPs to gain appreciation of their situation. A considerable amount of time was spent in Belgrade in meetings with Government, UN agencies, humanitarian agencies and development agencies.

2.1.3 Gaps and Limitations

As with any work of this type, there are limitations. The most obvious is the small number of interviews that were carried out in comparison to the numbers of refugees and IDPs in Serbia and Montenegro. Therefore the information gathered is qualitative rather than quantitative. It was not always possible to verify statements made, and therefore some of the views expressed could be distorted. However, much of the information from respondents conformed to criteria and information available on the different programmes of assistance. Given the scattered nature of the refugee and IDP community it was not possible to target large groups for interview. Instead, the mission visited areas where a spectrum of living and socio-economic conditions prevailed.

There are a number of refugees that were registered as such, but who have managed to find their own self-reliance solutions, either with out assistance or with minimal assistance. This section of the refugee population, which has the capacity and resources to establish itself, especially in Serbia, was barely accessed by the mission.

It was not possible to meet with all the development agencies with a presence in Serbia and Montenegro, but attempts were made to meet with as many as were available during the mission period. The mission agenda and a list of persons met is provided in annex B and C respectively of this report.

3 REFUGEES AND IDPS IN DEVELOPMENT PLANNING

3.1 GOVERNMENT POLICY ENVIRONMENT

While the Serbian Government, with the assistance of UNHCR, developed in 2002 the National Strategy for Resolving the Problems of Refugees and started its implementation in 2003, in Montenegro, the process is still in the drafting phase. It is expected that during 2004, the Government of Montenegro will formulate and adopt the “National Strategy for Refugees and IDPs in Montenegro” and that the Strategy will offer opportunities to integrate remaining refugees and IDPs in Montenegrin society with the support of international community.

At present refugees and IDPs are in particularly worrying position within Montenegro, where they have no right to legal employment. In that regard, IDPs are treated almost identically as refugees. In addition, the IDPs are not covered by the programmes of the Montenegrin Ministry of Social Affairs and are without any material support from the international community.

In Serbia, there are various policy and strategy documents which have been developed and which include references to refugees, IDPs and minorities such as RAEs. This volume of attention to refugee and IDP issues gives a solid foundation upon which the government and international community can take action. The table on page 7 indicates the type and extent of coverage given to refugee, IDP and RAE issues in the various documents.

Union State and Republics

State	Document	Relevance for Refugees	Relevance for IDP ⁷ s	Relevance for RAEs ⁸
State Union (SCG)	<i>Draft National strategy for the integration and empowerment of Roma</i>	The strategy advocates against the forced return to Serbia proper of persons currently in Western Europe originating from Kosovo.	There is a special section on Roma IDPs based on the UN Guiding Principles on Internal Displacement. The strategy contains a specific chapter addressing the needs of RAE IDPs as they have been identified as the most vulnerable group amongst the vulnerable.	Roma are the main focus of this document. The draft envisages a policy of affirmative action in line with the Law on Protection of Rights and Freedoms of National Minorities. Priority areas are housing, education and economic empowerment. Another area of concern is the provision of personal documentation.
UN Document	<i>Guiding principals on Internal Displacement</i>		These guidelines address the specific needs of IDPs. They identify the rights and guarantees, relevant to protection and assistance during displacement as well as during return or resettlement and re-integration.	The Guiding Principals are relevant due to the high number of RAE IDPs among the RAE population.
Republic of Serbia	<i>Serbia on the Move</i>	Issues relating to Refugees, IDPs and RAEs are more or less confined to the section on the PRSP. What is of interest is the analysis of the decrease in humanitarian aid and the poor pick-up in terms of development assistance.		

⁷ Internally Displaced Persons

⁸ Roma, Ashkaeli, Egyptian

State	Document	Relevance for Refugees	Relevance for IDP ⁷ s	Relevance for RAEs ⁸
Republic of Serbia continued	<i>Poverty Reduction Strategy Paper (PRSP)</i>	Refugees, IDPs and Roma are included through out the PRSP specifically in sections dealing with employment, health care of women, and education. Part of Annex A is devoted to Refugees and IDPs and is based on the National Strategy for resolving the problems of refugees, and has a complete section on indicators and monitoring. Also in this annex is a section on Poverty Reduction among the Roma again with emphasis on housing, employment and education. The additional budget for implementation of the PRSP is provided and an implementation programme. No separate budget figures for Refugees, IDPs and RAEs are provided.		
	<i>National Strategy for resolving the problems of refugees – Implementation Strategy</i>	The strategy defines two parallel directions to enable refugees to freely choose a lasting solution that is favourable to them. One direction is local integration and the other is ensuring conditions for repatriation. In all aspects of local integration there is mention of <i>inclusion of part of the local population</i> . The main activities under the strategy target accommodation, closure of collective centres and employment.	The national strategy does not apply to IDPs	Roma do not feature as a specific group in this document.
Montenegro	<i>PRSP – not yet adopted by government</i>	Under the objective to “ensure social stability and reduce the poverty rate” is included enabling repatriation of persons who wish to return to their former homes, improved quality of social integration and poverty reduction of refugees, IDPs and RAEs for those who wish to remain in Montenegro. The budgets for funding activities specifically directed at these groups are provided in the tables showing proposed Project Costs. Refugee, IDP and RAE issues are dealt with in parallel rather than integrated with the nationals in this document. This does however provide the basis for attracting additional funds specifically for refugee and IDP and Roma issues once the document is agreed and a strategy for implementation put in place.		
	<i>National Strategy for Refugees – in drafting process</i>	Not yet available		

3.2 DEVELOPMENT AGENCY PRIORITIES

The most relevant document on refugee and IDP issues is the United Nations Development Assistance Framework (UNDAF) for Serbia and Montenegro (2005-2009) March 2004. The UNDAF focuses on three general areas of cooperation:

- i. Institutional Reform and Public Administration Reform;
- ii. Judicial Reform and the Rule of Law; and
- iii. Sustainable Development.

Under (i) are issues of social housing, building upon the experiences of the Serbian Commissioner for Refugees (SCR), UNHCR, SDC and other partners. The work of the UNHCR, UNDP co-funded Social and Refugee Related Housing Secretariat, will continue and the results be built upon by UN-HABITAT as the lead agency for housing.

Under (ii) one of the areas that UNHCR will continue to work on with relevant government ministries is the issue of asylum policies, asylum law and structures. Another area for cooperation with government, OHCHR and WHO, is on enhancing the capacity of government to develop policies and mechanisms to prevent sexual and gender-based violence among refugees and IDPs.

Under (iii) one output is the sensitisation of local authorities to the needs of vulnerable groups including refugees and IDPs. In addition, it is proposed to improve the self-support mechanisms of these groups and their awareness of their rights.

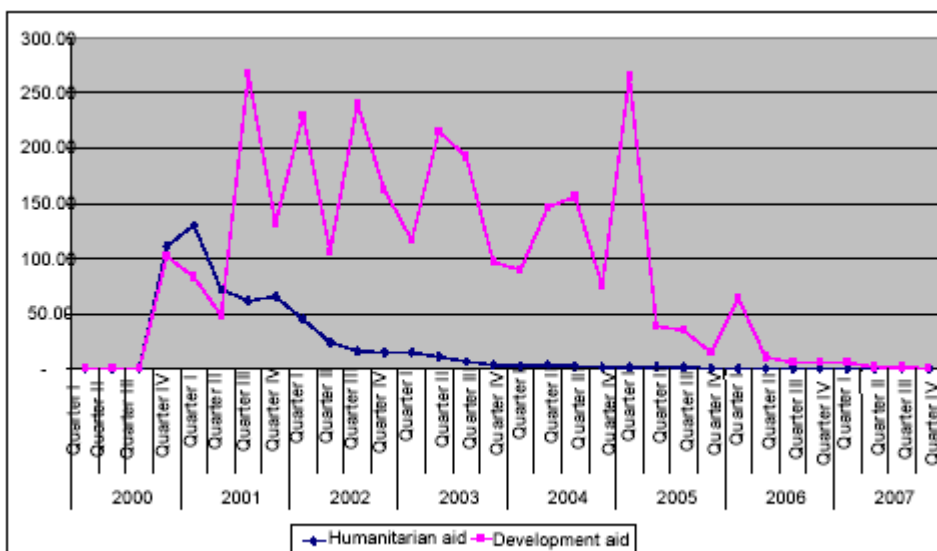
Under local economic development, there is provision for the continuation of support to small-scale entrepreneurs through linkages to business and socially sensitive public private partnerships. FAO are supporting access to land and securing of property rights for Roma.

The UNDAF outline above has described interventions specifically targeting refugees and IDPs. There are other general development activities, which target vulnerable or poor groups within society, and part of the target population will be vulnerable refugees and IDPs. Perhaps the use of the monitoring and evaluation framework from the UNDAF is the best tool to see how the effects of the various programmes will be assessed for refugees and IDPs. Even where they are not mentioned as specific target groups in the outputs, they will be targeted in the implementation and the results monitored.

3.2.1 Trends in Development

The Serbian Government has expressed concern over the slow pick-up of development support and activities in comparison with the dramatic reduction in humanitarian aid. Parts of the population are still directly affected by the rapid decline in humanitarian aid, and the government is clear that requirements for economic and social support for the unemployed as well as the support badly needed by refugees and internally displaced persons are not being met. In 2002 and 2003 the amount of humanitarian aid continued to decline, both in absolute and in relative terms. As an example of this, the graph of the UNHCR budgets from 1996 to 2004 is provided in annex D. The government expects the trend to continue in 2004 and according to their data it seems that this type of support may cease altogether by the end of 2005. This would not be critical had there been a timely and smooth increase in development support, but this is not the case.

Graph A below demonstrates the government figures and predictions for the relation between humanitarian and development support.



Source: Report on International Assistance to The Republic Of Serbia in 2003

With the increasing involvement of international financial organisations (World Bank, European Investment Bank, European Bank for Reconstruction and Development and so on) and the concentration on the reform processes, large-scale programmes for the immediate benefit of the poor and vulnerable groups are few. However, to say that no assistance was available directly targeting the poor and vulnerable within the community would be wrong, but there appears to be an imbalance.

Having highlighted the small share of funds being directed towards immediate programmes and projects for vulnerable groups, it is only correct to mention that before certain activities can begin, the policy and legal frameworks must be in place, and that the reform process is indispensable in addressing the constraints at this level.

In section 9 of the report, there will be a further look at development and the linkages to vulnerable groups including refugees.

4 COMPARISON WITH THE FRAMEWORK FOR DURABLE SOLUTIONS

4.1 FRAMEWORK FOR DURABLE SOLUTIONS

In May 2003, the Core Group on Durable Solutions working in the UNHCR prepared a “Framework for Durable Solutions for Refugees and Persons of Concern.” The aim of this section of the report is to look at the progress made in Serbia and Montenegro in comparison to the framework. It should be noted that the approach adopted within Serbia and Montenegro was decided upon in advance of this framework being developed. Particularly in the case of the Republic of Serbia, this demonstrates the forward thinking of the Government and its partners.

Before examining the different stages, as part of the background to the approach, it is important to note that this section of the report will deal with refugees only, and that the durable solutions for refugees are: repatriation, resettlement, and local integration. The following excerpts from the framework are also of importance:

“The overarching inspiration to promote additional development assistance for refugees is for: improved burden-sharing for countries hosting large numbers of refugees; promoting better quality of life and self-reliance for refugees pending different durable solutions; and, *a better quality of life for*

host communities. Development Assistance for Refugees (DAR) aims therefore, to achieve and facilitate the following:

- burden sharing with the host country;
- compensation for the burden aspect of the host community;
- development of the host country;
- development of the host community;
- gender equality, dignity and improved quality of refugee life;
- empowerment and enhancement of productive capacities and self-reliance of refugees, particularly of women, pending durable solutions.”

"DAR presupposes that assistance given to promote self-reliance of refugees and to improve the quality of life of refugees and their host communities *is additional.*" In other words, additional funds should be sought to cater for refugees and expand programmes to include them and their host communities.

4.2 REPUBLIC OF SERBIA

4.2.1 Comparison with the Stages for Development Assistance for Refugees (DAR)

a) Consensus Building

Undertake a consensus building through a consultative process led by the government with the aim that humanitarian and development actors, bilateral and multi-lateral agree upon a DAR approach⁹.

Progress to Date

Government and humanitarian actors are agreed that the durable solutions of repatriation, resettlement and local integration are appropriate and should be pursued together with the refugee population.

Future Proposal

Continued lobbying of development actors by SCR and MIER supported by UNHCR, to recognise the need for smooth transition from humanitarian aid to development support, and to address more attention to poverty alleviation/ livelihoods programmes where refugees and ex-refugees, who have received nationality, can be included as part of the vulnerable groups being targeted.

Comments

Despite the agreement with humanitarian actors, and taking into account some notable exceptions, much of the development work taking place within Serbia is geared towards institutional reform and capacity building and at the macro-economic level with fewer programmes addressing the immediate needs of the vulnerable members of the society. Institutional reform is indeed necessary, but the mission questions the balance between long-term benefit and immediate need.

b) Operational Information Management

Set up an Operational Information Management system based on preliminary assessments using gender analysis to understand the capacities and roles of women and men and gender differentiated impact of possible activities, potential of refugee hosting areas, and analysis of who is doing what, where. UNHCR and its partners would develop a better understanding of the coping mechanisms and livelihood strategies employed by women, men and children in both the refugee and local populations. UNHCR should also share profile of refugees, based on both sex and gender data, which could link the skills and knowledge to productive activities.

⁹ All the text in non-bold italics in this section of the report is a direct quotation from the framework document.

Progress to Date

A database has been set up by the SCR supported by UNHCR. The data available gives a profile of the refugees, including preferred durable solution. It includes limited information about the support the refugees have received. It has also facilitated the exchange of information on refugees who have chosen repatriation as their durable solution.

Future Action

Continue supporting the SCR to use and expand the current databases to include data on refugees and their participation in programmes and activities supporting self-sufficiency and integration accessed through a variety of Government programmes and support agencies. (The data-base will up-dated and reviewed completely at the end of the re-registration exercise.) Also necessary is the strengthening of the regional database links especially with countries of origin of the refugees to monitor access to pensions, restoration of property and compensation settlements.

Comments

9 people are working full time on the database funded through UNHCR.

c) Integrated Approach

Carry out joint planning with an integrated approach to realise a credible DAR programme. Planning should be carried out with the UNCT, in particular with the World Bank, UNDP, UNICEF, ILO, FAO and WFP, and bilateral and multilateral donors. This will be better achieved if prior commitments have been fully secured in the above-mentioned consultative process.

Progress to Date

Joint planning is taking place within the framework of the CCA and UNDAF processes, but there is no comprehensive overview of all actors and their programmes, which address Refugee issues, and on a co-ordinated phase-out of humanitarian assistance. It should also be noted that due to various reasons, such as sanctions, development actors have not had a large presence in Serbia until recently. (For example, UNDP re-opened its office in a modest way in 1996 and reassumed its full liaison/ coordination role only in 2000.)

Future Action

A simple tracking form could be established which could be up-dated either by the database team, or within UNHCR by officials recording the results of their meetings with government and agencies. This could be used in support of the donor coordination efforts of the SCR, which in turn could support the coordination activities of MIER.

Comments

The withdrawal of UN agencies (e.g. WFP) and large international agencies providing humanitarian assistance (e.g. ECHO), has put additional strain on the government and UNHCR resources. Consultations are taking place on phase-out but often funding dictates the pace of phase-out rather than needs of the refugees and the capacity of the government and remaining agencies to fill the gaps.

d) Joint Implementation Strategy

Agree upon a joint implementation strategy with all partners. The government with strong support of development and humanitarian actors should carry out the co-ordination for DAR.

Progress to Date

There is a joint strategy and implementation programme in terms of the “National Strategy for Resolving the Problems of Refugees – Implementation Programme”. This addresses chiefly repatriation and local integration. There are at present few resettlements taking place.

Future Action

Systematic monitoring and evaluation of the solutions being offered and accepted by refugees (repatriation, resettlement or local integration) should be improved to make certain that the necessary support is in place for reaching self-reliance or accessing adequate care.

Comments

The National Strategy includes budget outlines. The funding required for the full implementation of the programme is not available to the Government of Serbia and its partners.

e) Resource Mobilisation Strategy

Agree upon a resource mobilisation strategy for DAR, which should be jointly planned by partners and led by the government. UNHCR as member of the UNCT would play an active role in resource mobilisation seeking direct funding and parallel financing for the totality of the DAR programme. Flexible funding strategies need to be developed to support DAR programmes.

Progress to Date

So far there have been semi-annual consultations - SCR, UNHCR, NGO and humanitarian partners to identify available resources and existing gaps in resources. If some parts of the annual programme were not covered then development or humanitarian partners would be sought to provide the necessary support.

Many development actors see refugee issues as purely humanitarian and therefore they are not always easy to reach on this subject. Depending on the size of the development agency or international financial institution, they will also tend to divide responsibility in sectors. This means that framework discussions have to take place at a very senior level and specific programme development discussions with several staff members from within one organization (i.e. specialists dealing with agriculture, SME support, community development, health and social welfare, etc.)

Future Action

Donor coordination and resource mobilisation is within the responsibilities of the MIER, specific to refugees and IDPs it is within the duties of the SCR. However, UNHCR and other partners must continue their active support to the government and provide linkages to funders and advice on priority setting for discussions with funding agencies.

Comments

Many of the agencies interviewed by the mission, mentioned that their programmes follow the wishes of the government, and therefore an increase in the share of funds going to projects and programmes immediately addressing the needs of vulnerable groups including refugees and IDPs would need to begin with a strong commitment from government that this is one of their priorities.

f) Refugees on the Development Agenda

Promote systematically refugees on the development agenda. Any DAR programme would be developed within the existing development framework and eventually form part of donor co-ordination fora, CCA/UNDAF and PRSP.

Progress to Date

Programmes for Refugees and IDPs are present in the UNDAF for Serbia and Montenegro for 2005 – 2009. Refugees and IDPs were included in the PRSP for Serbia 2003, after the combined efforts of the SCR, local NGOs supported by the World Bank, the UN and other partners dealing with refugee issues.

Future Action

To support Government in pushing forward the implementation of the PRSP, particularly those areas which could immediately address the vulnerable sections of the community, both national and refugee.

Comments

The support for the inclusion of refugees and IDPs in the PRSP demonstrates the understanding of a variety of actors as to the concepts of inclusion and local integration.

4.2.2 Development through Local Integration in Serbia

One of the durable solution options is local integration. This concept is well understood by the Serbian Government, UNHCR Country Office, and partners. The Development through Local Integration is based on three main elements taken from the National Strategy:

- provision of durable accommodation;
- closure of Collective Centres; and
- employment Programmes.

As the national strategy was finalised in 2002, and local integration activities had been ongoing since 1997, it can be seen that elements of the strategy are securely based in lessons learned from implementation and build on experiences at policy level and in the field.

4.2.3 Comparison with the Stages for Development through Local Integration (DLI) Framework

Development through Local Integration in Country of Asylum – DLI Framework is part of the document on a Framework for Durable Solutions.

The following excerpt has been taken from the DLI “Central to the success of this strategy is the attitude of the host government and the local authorities as well as the commitment on the part of the donor community to provide additional assistance”. This indeed forms the basis upon which a DLI can be planned and implemented.

This section of the report looks at the progress made in Serbia against the targets set in the DLI Framework.

a) Agreement

Agreement of the government and local authorities to local integration. In this regard refugees are progressively allowed to exercise effectively the rights granted to them by the 1951 Convention, particularly those rights which make it possible for refugees to engage in income generating activities, such as farming, trading or wage labour. The placement of a refugee settlement, for example, in an economically viable environment is of great importance.

Progress to Date

There is complete agreement with the government and the majority of local authorities that refugees should have access to income generating activities such as farming, trading and wage labour. Refugees can access the education and health services and can officially register as un-employed

Some refugees have settled in remote rural areas and assistance is needed to access sufficient land of good quality to make a living, and to include refugees in agricultural extension services. Considerable efforts have been made to encourage income-generating projects through grants, soft loans, micro-credits, and vocational training in the agriculture and non-agriculture sectors.

Comment

The main difficulty in accessing employment has to do with the high level of unemployment among the local population and the lack of job opportunities. Therefore the emphasis in the national strategy is for income generating activities.

b) Consensus building and engaging

Consensus building and engaging development and humanitarian actors including bilateral and multi-lateral donors for a DLI programme. The host government will lead this process.

Progress to Date

There is a very good level of consensus on local integration led by the Government and among the local and international humanitarian actors and certain of the development actors.

Future Action

Build up consensus to engage further development actors and to sustain their interest in vulnerable groups including refugees.

Comment

There may be differing opinions on the approaches used to achieve durable local integration, but the principles have received broad consensus.

c) Gathering operational information

Gathering operational information, including preliminary assessments, potential of refugee hosting areas, an analysis of who is doing what, where etc. UNHCR and its partners would develop a better understanding of the coping mechanisms and livelihood strategies employed by refugees and local populations. This includes a viable economic situation, availability of and access to land and resources, as well as receptive attitudes within the host community. The profile of beneficiary population including skills, capacities and their potential for self-reliance is equally important to draw up programmes.

Progress to Date

Due to the influx of refugees and the fact that some refugees self-settled in areas where they had family or friends, there was no assessment done of the potential of refugee hosting areas. Some attempts were made to redirect refugees, but these were not made on the basis of refugee hosting potential. There are some concerns as to the opportunities for building up sustainable livelihoods in some of the more remote rural areas.

The latest refugee registration was done in Serbia in March-April 2001, and the PRSP is based on a "Survey of Living Standards" June 2002 of national populations excluding Kosovo and Metohija, which does provide an indication of the levels of poverty in different geographical locations.

Future Action

The SCR plans to carry out a re-registration of refugees this year and this will provide more accurate information on the exact numbers and their location. As there is lack of a comprehensive study of the coping mechanisms, and livelihood strategies of refugees, ex-refugees and the host communities, (some individual work has been done on this e.g. the impact assessment research of the DRC/MDF micro-loan programme)

it would be good to review the coverage of the refugee re-registration so that as accurate a picture as possible of the capacities and needs of this group could be made.

Comment

The refugee registration does include details of former employment and current employment but does not profile skills, capacities and potential for self-reliance.

d) Integrated Programming Approach

Integrated programming approach to realise a credible DLI programme will require working with the World Bank, the UN Country Team (UNCT), particularly UNDP, UNICEF, ILO, FAO and WFP, and bilateral and multilateral donors. This will be better achieved if prior commitments have been fully secured in the above-mentioned consultative process.

Progress to Date

Joint planning is taking place within the framework of the CCA and UNDAF processes. Meetings and discussions take place with all actors dealing with refugee issues, but there is no comprehensive overview of all actors and the programmes, which address Refugee issues, nor on a co-ordinated phase-out of humanitarian assistance. Having said this there is very good cooperation at field level and a willingness to work together in seeking solutions. The MIER has a development assistance coordination unit (DACU), which is taking the lead in coordinating donor assistance to the Republic of Serbia.

Future Action

A simple database of programmes including target groups, geographical location, type of assistance and future planned inputs would ease the overview, and assist to locate gaps. In the case of the World Bank (mentioned specifically in the description of this stage of DLI) they are coming to the end of the implementation of the Transitional Support Strategy 2001-2004 and are starting to develop their Country Assistance Strategy. Therefore it would be timely for the MIER, SCR, UNDP and UNHCR to discuss with them their response to the National Strategy for Refugees and the PRSP.

Comments

The results of joint planning can be restricted due to the budgetary constraints of government and its partners. Therefore, some of the gaps in programmes and exclusion of particular groups, are known to the government and partners, but it is not within their resources to be able to address them all.

e) Developing Joint Implementation Strategy

Developing joint implementation strategy building on existing structures and mechanism will require a consultative process with partners. The government with strong support of development and humanitarian actors should carry out the co-ordination process.

Progress to Date

There is a joint strategy and implementation programme in terms of the “National Strategy for Resolving the Problems of Refugees – Implementation Programme”.

The implementation of the strategy between 2002 and 2004 has put the emphasis on the closure of collective centres.

Future Action

Monitoring and evaluation of the solutions being offered those leaving collective centres needs to be made to see if the needs of the refugee families are being met. The government should on the basis of progress made, make a reassessment of the priorities for further implementation based on the national strategy and consider increasing attention to vulnerable groups not living in collective centres.

Comments

The funding required for the full implementation of the programme is not available to the Government of Serbia and its partners. It is the case, that the majority of the government budget is dedicated to the running of the collective centres, and their closure should enable other priorities to be addressed.

f) Mobilising Resources for DLI

Mobilising resource for DLI will be a government led strategy, developed in consultation with partners. UNHCR as member of the UNCT would play an active role in resource mobilisation for the totality of the DLI programme. Flexible funding strategies will be developed to support DLI programmes.

Progress to Date

The national strategy provides the basis for resource mobilisation with clear goals and required budget. The government has made progress in attracting funding from bilateral development agencies and multi-laterals and IFIs. The government has secured funds from EAR to assist in the programme of collective centre closures and in strengthening the SCR's office and outreach, and they are negotiating with CEB for a loan for social housing. The inclusion of refugees in the PRSP, means that any funding attracted towards vulnerable groups under the PRSP will be accessible by refugees.

Future Action

Before some funds can be accessed, there is a need to address the operation and legal frameworks at national and local level (e.g. the legal and operational framework for the operation of housing finance loans).

Comments

Under the "comments" or "future actions" in the stages above, there have been suggestions for furthering cooperation and mobilising of resources through development agencies. In some cases large international NGOs are not funded from country budgets, but through negotiations with development agencies in their own countries. Although the plans will be based on discussions with government and other partners, it means that the government has less direct influence on being able to attract additional funding for refugee issues.

g) Bringing Refugees on the Development Agenda

Bringing refugees on the development agenda will include developing DLI programme within the existing development framework and eventually forming part of Common Country Assessment/UN Development Assistance Framework and Poverty Reduction Strategy Paper and bilateral development strategies (Country Strategy Notes/Papers etc.). The host government will lead this process.

Progress to Date

By including refugees in the PRSP, the government has placed them on the development agenda. They are also targeted in various bi-lateral and IFI programmes, and in the CCA and UNDAF.

Future Actions

As some refugee issues are taken over by development partners, the role of UNHCR should be gradually changing from that of implementer, to that of assisting the SCR in monitoring the impact of various programmes and in compiling an overview of the programmes addressing refugees to strengthen the gap identification and resource mobilisation process.

Comments

Despite exceptions, poor linkages in many organisations between their humanitarian and development sections, tends to hinder transition and discussion of refugee issues

in a development context. Even where refugee issues are being addressed by bilateral agencies, it is often through their traditional humanitarian partners. At the same time there is a need for the humanitarian actors to reach out beyond their traditional partners and actively seek dialogue with the development agencies.

h) Developing Legal and Institutional Frameworks

Developing legal and institutional frameworks that foster local integration including productive activities and protecting relevant civil, social and economic rights related, for example, to land, employment, access to services, freedom of movement, identity documents, and access to the judicial system. UNHCR will facilitate and support the government in this process.

Progress to Date

The Federal Republic of Yugoslavia was transformed into the State Union of Serbia and Montenegro in February 2003. Persons who had acquired Yugoslav citizenship before the adoption of the Constitutional Charter of Serbia and Montenegro in February 2003 retain the citizenship and became citizens of Serbia and Montenegro. In Serbia, the Serbian Citizenship Law (1997), which is the former Yugoslav Citizenship Law remains in force. Refugees from the former Yugoslav republics can be admitted into Serbian and State Union citizenship by virtue of Article 48, paragraph 1 of the Serbian Citizenship Law. This can be done without the requirement to renounce original nationality. The dissolution of the of the Federal Ministry of the Interior and transfer of its competence to the Republic Ministry of the Interior, has triggered a backlog of applications for naturalisation in Serbia, the vast majority of the applicants being refugees.

Dual citizenship is accepted by the Serbian authorities. With Bosnia there is a bilateral agreement recognizing dual citizenship.

Despite delays due to the backlog of applicants, refugees are able to become citizens through the Serbian Law and this is important in terms of full local integration. The citizenship includes all rights of a citizen, including voting rights. In terms of the legal preconditions for development through local integration, the following table provides an overview of the situation for refugees in Serbia.

Table 4.1: Legal preconditions for DLI

	Legal requirement	In place in Serbia	Comments
1	Freedom of movement	yes	
2	Access to education	yes	
3	Access to the labour market	yes	
4	Access to public services & assistance	Not all welfare services can be accessed by refugees (i.e. family allowance)	This is resolved once refugees take Serbian nationality
5	Access to health facilities	yes	
6	Acquiring and disposing of property	Officially no	In many cases, legal documents for the selling of property to refugees are made, but the property cannot be officially registered in the ownership of a refugee

7	Travel with valid documents	yes	
8	Able to apply for citizenship	yes	There are no barriers to applying but a purely administrative backlog of dealing with applications

4.2.4 Summary for DAR and DLI - Serbia

Starting with the legal framework and looking at the arrangements made for refugees by the government, many of the conditions for Development Assistance to Refugees and Development through Local Integration are already in place. The common ethnicity of the refugees and the nationals assists in assimilation, but the work of the government and its partners in addressing the needs of refugees has facilitated their self-reliance and integration.

Some measures need strengthening in terms of data availability, ensuring coordination, identifying gaps, and reaching out to development partners. This needs to be complemented by the institutional framework for operating social reform and more focus is needed on the targeting of development programmes to the immediate needs of vulnerable groups including refugees.

4.3 REPUBLIC OF MONTENEGRO

4.3.1 Legal aspects

It is perhaps best to start with a look at the legal requirements for local integration as this will immediately highlight the difference in approach of the Republic of Montenegro.

Table 4.2: Legal preconditions for DLI

	Legal requirement	In place for Refugees	Comments
1	Freedom of movement	Yes	
2	Access to education	Yes	
3	Access to the labour market	No	Refugees have no right to legal employment
4	Access to public services & assistance	limited	
5	Access to health facilities	very limited	
6	Acquiring and disposing of property	no	Refugees cannot own property
7	Travel with valid documents	no	
8a	Permanent residents rights	no	No permanent residency
8b	Citizenship	no	Refugees cannot apply for citizenship without 10 years permanent residency

Montenegro adopted a new Citizenship Law in October 1999. It requires 10 years of permanent residence in Montenegro before citizenship can be granted, or 5 years for those married to Montenegrin citizens. This is a problem for refugees, who are granted only temporary residence. The

Montenegrin authorities are not flexible in their approach to naturalisation of refugees residing in Montenegro.

As can be seen from item 3 in the table above, without access to official employment, refugees are forced to make use of income generating activities, which operate in the “grey economy”. With the tightening of legislation for these activities the situation is becoming more difficult for them. Some individuals have managed to register businesses, but they are few in number.

Despite the constraints, the Montenegrin Commissioner for Displaced Persons (MCDP) has agreed to programmes of income generation activities and housing support for refugees, and therefore shown a willingness to be flexible in actual implementation of programmes.

Given the legal framework, it has been difficult to pursue local integration in Montenegro, however, progress on the PRSP and the drafting of the national strategy together with the Government of Montenegro may improve the framework for development through local integration.

4.4 IDPs IN SERBIA AND MONTENEGRO

As was stated above, this section of the report has addressed refugees only, however there is need to at least briefly consider the situation of the IDPs.

In Serbia, IDPs have not been so far considered for local integration, but the events of March 2004 in Kosovo, has set back the return process and this position may have to be reconsidered. IDPs are however able to access the social services, education, and employment. What remains a barrier, is their local registration (as opposed to continued registration in Kosovo). They are however fully eligible for income generating programmes and are being specifically targeted by several programmes in an attempt to improve their self-reliance.

In Montenegro, IDPs face similar constraints to those of the refugees, and in addition, despite being nationals of the Union State of Serbia-Montenegro are not accessing the social services and receive less assistance than refugees from the international community. Again, despite the barriers, they are gaining access to programmes aimed at improving their self-reliance, although the success can be limited due to legal constraints.

The RAE IDPs suffer from an endemic lack of personal documentation, and often have not registered as IDPs. The lack of documentation hampers access to social services, education and employment.

5 REVIEW OF THE IMPLEMENTATION OF THE LOCAL INTEGRATION STRATEGY

The Development through Local Integration is based on three main elements taken from the National Strategy:

- Provision of Durable Accommodation
- Closure of Collective Centres
- Employment Programmes.

This section of the report will examine the programmes specifically targeting refugees (and IDPs where relevant). The overview may not be complete, but is an attempt to provide the reader with some background on the variety of programmes being implemented. This section does not reflect general development programmes, although refugees may be accessing some support through them, but refers to specific activities targeting refugees.

5.1 PROVISION OF DURABLE ACCOMMODATION

Within the context of Serbia and Montenegro, housing is undoubtedly one of the most important factors in local integration. There are several reasons for this:

- many of the refugees were home owners or had legal tenancy rights (almost equivalent to ownership) in their countries of origin, and are therefore used to the idea that property is owned by the family;
- owning and living in your own house provides a feeling of security and acceptance of Serbia as the new home where the family will build its future;
- the payment of rent, no matter how small, is a strain on many families living around or below the poverty level. Having a house means that the money can be used to pay for essentials, such as food and heating in winter, rather than rent.

The provision of permanent housing began in 1997 and to date at least **3,620** families have been assisted with housing solutions, and by the end of 2004, **730** elderly or vulnerable people will be accommodated in institutions or social housing in a supportive environment. The programme for provision of housing is operating in Serbia and Montenegro. It has been characterised by a willingness of the partners to review approaches and adapt solutions to suit the target groups. It has also demonstrated alternatives for the government to review in establishing approaches for future social housing.

The main refugee housing programme for Serbian and Montenegro has been supported by UNHCR, SDC and NRC. SDC has taken the lead role in providing technical advice.

Housing Programme Coverage and Type:

Various housing options have been tested and implemented based on experience and identification of the needs of the refugees.

The types of housing provision provided through programmes in Serbia are as follows:

1. Full construction: The building of a family houses (often semi-detached) for families of 4 or 5 persons with the work being carried out by a contractor.
2. Self-help construction: This method provides assistance to the family in the preparation of the foundations of their house and the rest is constructed by the family themselves under guidance of a master builder or site supervisor. These houses can be extended later to provide more accommodation once the families can afford the addition.
3. Semi-self-help was introduced in the case of families who would have difficulty in completing all the building tasks themselves and would thus be assisted in building their house, but they also would participate, particularly with the internal finishings.
4. Partial self-help involves the supply of building materials to families who have acquired land, but are having difficulty in finding the means to complete their construction, or in the case where an old property had been acquired that needs repair or improvement.
5. Social Housing in a Supportive Environment: This type of building is constructed for housing vulnerable groups such as the elderly, or single mothers with children. Small flats are built for the families and one larger for a carer family who has duties for the care of the building and limited care duties to the elderly or other social cases.
6. Conversion of Collective Centres: Some of the Refugees and IDPs have been housed in 323 official collective centres since their arrival in Serbia. With the gradual closure of the centres, the opportunity has been taken to convert some of the centres into homes for the elderly.
7. Multi-storey blocks: These were tried in urban areas, but not continued as an option.
8. In Bac municipality, the municipality brought potential sellers and refugee buyers of houses together, and facilitated commercial bank loans for the buyers.

In all cases except no 4, the municipalities are involved in supplying plots with planning permission for the buildings. They also either provide the relevant infrastructure (i.e. water mains, electricity, sewage systems, roads). In some cases they are assisted to fulfil these obligations. The builders connect the individual houses to the main supplies.

National Housing Strategy and the Housing Secretariat:

UNHCR's support to the Refugee Related and Social Housing Secretariat in the Ministry of Urban Construction and Development, funded by UNHCR and UNDP, was an important initiative in ensuring that affordable housing will be provided to refugees, and other vulnerable groups, in the future and thus assist them in local integration efforts. The responsibility for construction and housing is now with the newly formed Ministry for Capital Investments (MCI). With this development and the planned start of the UN-HABITAT support to the Ministry, there needs to be some discussion on the future of the Housing Secretariat between the MCI and the Serbian Commissioner for Refugees as to its future home and role.

A summary of the housing units built through a variety of projects and programmes is provided in annex E of this report.

5.1.1 Future Programmes

a) Republic of Serbia, Italian Government and UN-HABITAT: Settlement and Integration of Refugees Programme in Serbia

The expected results from this programme are :

- 670 housing solutions delivered in 7 municipalities to low-income refugees and other vulnerable households.
- 7 Municipal/City Housing Strategies are adopted with appropriate institutional tools and capacities for implementation
- pilot initiatives for social, economic and civic low-income refugees and other vulnerable households are agreed and developed through a decentralised management system.

The seven municipalities/cities are: Pancevo, Kragujevac, Cacak, Kraljevo, Valjevo, Nis and Stara Pazova. The refugee populations in these municipalities/cities range from 2 to 17% with a total of 10,111 refugees and 253 IDPs. Some of the housing solutions will be through renting rather than ownership.

b) Republic of Serbia, Municipality of Nova Crnja, SDC: Farmhouses in Nova Crnja

The programme aims to assist 20 refugee families to buy 20 abandoned farms with farmhouses, through a credit repayable over a five-year period after a one-year grace period and zero interest. Initially, the farmhouses will be owned by the municipality. The loans will be repaid into a community support fund.

c) Council of Europe Development Bank (CEB)

The CEB is planning to provide a loan of up to €20 million to finance a social housing programme aimed mostly at refugees and displaced persons in Serbia. It is estimated that this would allow the construction of between 1,700 and 2,300 rental dwellings, based on a local contribution of 50%. The details are still being discussed between the CEB and the Government. Other assistance may also be attracted (e.g. from EAR) to support this initiative.

5.2 CLOSURE OF COLLECTIVE CENTRES

It is almost impossible to separate the provision of housing from the closure of collective centres as they are so interlinked. Many of the housing programmes listed above directly address those refugees

that are leaving collective centres. The programmes described in this section address accommodation, but also deal with other issues relating to closure of collective centres and alternative means of support to those leaving the centres – again these are not all of the programmes, but some major examples.

Pilot In-kind Assistance Project (PIKAP)

In 2004, the main funder for PIKAP was Council of Europe Development Bank (CEB). The programme is funded through a direct agreement between the CEB and UNHCR. The programme is being implemented by the international NGO INTERSOS. The aim is (i) to provide bridging support to families leaving collective centres and entering private accommodation or (ii) to assist in a lasting solution in terms of completion of partially built housing. For (i), PIKAP is a one-time in-kind assistance grant for the families leaving collective centres. A grant of €360 for each person in a family, up to a maximum of 4 family members, is provided. The grant is often paid 2/3rd in kind and 1/3rd in cash. The in-kind elements are usually tools and household goods, furniture and appliances. For (ii), PIKAP provides funds up to €3,000 for building materials for the completion of housing where individuals have already started construction. PIKAP has assisted 900 families to move into private accommodation and a further 500 are targeted during 2004. PIKAP is also assisting 80 families to complete their houses. PIKAP is at present not available to IDPs, even although they are residents of collective centres.

5.2.1 Future Programme

European Agency for Reconstruction: Supporting the National Strategy for the closure of Collective Centres in Serbia

Proposals have been called for the implementation of this programme. The main objectives are:

- support Refugee/IDP populations in deciding whether to return to their original place of domicile or to further their process of integration into Serbia;
- support refugees and IDPs moving from collective centres to individual living, through local integration assistance;
- support for assisted living of especially vulnerable individuals leaving collective centres as well as qualifying members of the resident domicile community;
- support to those leaving collective centres to develop sustainable livelihoods, enhancement of host community services and development of community actions that facilitate the process of integration.
- it should be noted that in future IDPs will be eligible for assistance under this programme.

5.3 INCOME GENERATION/ EMPLOYMENT

5.3.1 Access to financial services (Grants, Soft Loans¹⁰ and Micro-finance)

At least **12,000** individuals have been assisted with loans from micro-financial institutions aimed at starting or improving their income generating activities. In addition, soft loans for start up and grants for income generating programmes have been provided through a variety of international agencies and NGOs. Many families are now managing to earn sufficient income to at least cover their immediate needs and others are developing small businesses with reasonable incomes.

UNHCR Self-Reliance Programme is divided into three main activities: non-commercial micro loans, soft loans and vocational training. The main programmes of support to income generating activities through grants, soft loans and micro-finance are provided in annex F of this report.

¹⁰ Soft loans refer to loans with zero interest or with repayment in kind (e.g. social service)

5.3.2 Future Programmes

In the case of credit / loans the local micro-finance institutions will continue operating their funds and making loans available. UNHCR does not propose to have any further in-kind grant or soft loans system, however HELP and USAID will continue with this work.

5.4 VOCATIONAL TRAINING

There has been less emphasis on vocational training when compared with grants and loans. However, not all beneficiaries are without skills and therefore there will automatically be a greater demand for financial assistance. Despite this, there are young people without skills or older people who need new skills as they cannot pursue their previous occupations.

UNHCR through partners, DRC and IRC have delivered vocational training to 1,175 refugees in Serbia in the period 2001 to 2003. Prior to this period, a larger budget had been available and therefore more vocational training had been carried out.

A new approach to vocational training based on apprenticeship type arrangements is being implemented, which seems to offer better employment opportunities for the participants. One important target group in vocational training is the Roma youth. ICS in Serbia and MRC in Montenegro, among others, are active in working with this group.

6 IMPACT OF DEVELOPMENT THROUGH LOCAL INTEGRATION

6.1 IMPACT AT FAMILY/COMMUNITY LEVEL OF DLI

It was the view of the mission that the implementation of the local integration strategy should be judged in the first instance by its impact at community / household level.

6.1.1 Awareness on Local Integration as one option for a durable solution

The knowledge on local integration varied, but most refugees had some idea that it was to do with accessing housing and /or employment in Serbia. Some mentioned gaining citizenship. On the alternative durable solutions, some would still prefer to try for resettlement, but most of the respondents had given up the idea of repatriation to their country of origin.

a) Impact/achievements

- People were well informed about their choices and the processes for repatriation should they wish to return.
- Some had been supported to visit their old homes to assess whether return was possible or not.

b) Constraints/challenges

- The slow speed of property restoration and reconstruction, especially in Croatia is hindering families from accessing capital with which to build their new lives in Serbia.

6.1.2 Food Security

There is food available in the shops and in the markets and the majority of families have sufficient food. With food being available, there is technically no reason to supply food to refugees and IDPs. However, it is a problem for some families to access sufficient basic food and food with adequate

variety and nutritional content. This is related to the level of their income in comparison to the level of their general expenses in terms of rent, fuel, electricity, clothing and food.

a) Impacts/Achievements

- The majority of refugee families have adequate food.
- Refugee families are accessing land for growing crops, but this is mostly through renting land. Rent is paid in cash or as part of the crop production;
- Refugee families are also raising livestock, - chickens, pigs and milking cows;
- The provision of greenhouses through grants has enabled families to produce vegetables for their consumption and for sale;
- Refugees in certain municipalities in Vojvodina are benefiting from a programme of agricultural assistance and integration, which it is hoped can be expanded to other areas.

b) Constraints/Challenges

- It was estimated that some 40,000 vulnerable and poor refugees would need food aid in 2004 out of a total of 290,000 refugees (14%). However, the food would be seen in these cases as an income supplement rather than covering a lack of food in the market.
- National issues of land ownership need to be resolved before refugees can access agricultural land through purchasing.
- It is unclear how refugees who are farming are accessing advisory services.
- The national and IDP poor and vulnerable families are in a similar position to vulnerable refugees concerning access to adequate income for their food needs.

6.1.3 Access to services

The governments have severe budgetary constraints and high demand for social welfare services. Even if people acquire citizenship as their durable solution, the level of national support for vulnerable families will not cover all their basic needs.

a) Impact/achievements

- Refugee children are attending local primary and secondary schools.
- Refugees have the same medical services available to them as the national population in Serbia.
- Refugees also have access to additional medical care and medicines.
- Vulnerable families are receiving assistance through the MLESP and local NGO networks using mobile teams for outreach.

b) Constraints/challenges

- Levels of service provided through the MLESP are limited due to budgetary constraints and a high level of demand from nationals, refugees and IDPs (Serbia);
- The additional assistance offered by the NGO networks and UNHCR staff is also limited due to the level of demand and the availability of resources;
- There remains a need for humanitarian assistance for the most vulnerable refugees.

6.1.4 Access to accommodation and closure of Collective Centres

The programmes for provision of accommodation and the closure of collective centres have been described in section 5 above.

a) Impacts/achievements

- Families who have participated, especially in self-help and semi-self-help schemes are proud of the achievement and committed to making a success of their new lives. In some cases they are managing to add to the original building, as allowed for in the plans, to expand the living area of their houses, and to add outbuildings for rearing chickens, pigs, cows etc. Some have also erected green houses on their plots combining accommodation with income generating activities.

One refugee family interview had left Croatia in 1995. The husband had returned three times to assess the situation, but everything they had, had been destroyed. They therefore opted to integrate in Serbia. In 2002, the four-member family had moved from a collective centre into the house they had helped to build. The basic structure and fittings were completed and since then they have been continuing to expand the house, as allowed for in the plans. They are enjoying their new-found privacy and peace and are committed to making a success of their future in Serbia.

- The social housing has provided shelter for vulnerable cases such as the elderly or those in need of support.
- Families who have taken PIKAP are living in the community in private accommodation.

b) Constraints/challenges

- Due to legal constraints at the start of the housing programme, the refugees are not legally the owners of the houses they have been allocated and in many cases have helped to build.
- Small families (less than 4 persons) with one able-bodied adult, can find it difficult to qualify for any of the current house-building schemes unless they have managed to acquire a plot with building permission in which case they could apply for partial self-help in the form of building materials. However, if the family have little or no resources, they will be unable to make the initial purchase of a plot. Thus some families are too small for the family housing schemes, and where one or none of the family members are eligible for social care, they are also not considered for social housing.
- Due to the emphasis on the programme of closure of Collective Centres, there are refugees living in poor private accommodation that may be equally or more in need of assistance. They have not been given the same opportunities to apply for the housing schemes.

A son with a mother (not yet old enough to be considered elderly) had been renting accommodation, but because of lack of work had not been able to pay the rent. They therefore had to leave, and the local community helped them locate an abandoned house. The roof on this house is in very poor condition and not adequate to keep rain and snow out. The ceilings are mostly missing, and some of the rooms are uninhabitable. They had applied to be accepted for one of the refugee house-building schemes but were turned down because they had too few family members, and were not living in a collective centre.

- Many refugees have managed, either through sale of land or property in their country of origin or through saving profits from some business or enterprise, to buy plots of land on which to build houses. Most of these are cheap plots in peri-urban or rural areas. In many cases the plots are un-serviced and without official planning permission. On such plots they cannot be assisted by the partial self-

help programmes, as development partners cannot support the proliferation of uncontrolled house building.

- There is a direct link as to what families can afford relating to whether they have managed to recover property and to rent or sell it. If more property were restored, then refugees would have the means to support their own housing efforts, at least to a greater extent than is possible with no resolution on their property in their country of origin.
- As PIKAP has only been operating for a little over one year, there has been no evaluation of how the recipients are coping 12 to 18 months after taking PIKAP.
- The building materials or funds accessed by families to complete the construction of their own houses have been insufficient to complete their houses, and therefore they have not solved the problem of their accommodation needs. It should be noted that some of the house sizes are rather too ambitious for the amount of assistance available.
- Many people wished that they could access small loans to assist in the building of houses. Such loans are not at present available.

Issues specific to Montenegro:

In 2001, a programme was launched which offered local owners of property a deal. The deal was that repairs would be made to their property to make it habitable and in return they would provide the accommodation rent free to an IDP family for 3 years. This period is now expiring and very few of the IDPs have returned to Kosovo. The IDP families are now either faced with paying rent or being evicted as the owner has relatives or friends waiting to come into the property. What was a temporary solution has now created a present problem for the affected families.

6.1.5 Access to Financial Services

This section refers to grants, soft loans and micro-finance. Some of the programmes have been described in section 5 above.

a) Impact/achievements

- Families are gaining their self-reliance through income generating activities supported by a variety of grants and loans.
- Individual refugees have used the opportunity to move from small income generating activities to setting up businesses and hiring employees.
- Individuals who have accessed grants and soft loans have used this to start small income generating activities. These activities in turn acted as a springboard to allow them to go on to take out credit under more demanding conditions.

<p>A family has successfully built up a business to produce blinds and shades through accessing loans from a micro-credit institution. The family have received three loans - €1,200 €1,500 and €5,500. The money they borrowed was used to buy raw materials, and equip and expand their workshop. The result is a prospering family business with plans for expansion in the future.</p>
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b) Constraints/challenges

- Some families have not managed to access grants or loans and this seems to be due to a mixture of uneven spread of information and lack of personal initiative to follow up opportunities.
- Some individuals had been turned down for loans, or not continued their application because they could not meet the required criteria (e.g. find guarantors or needed more than a one month grace period).
- It was mentioned to the mission that there was some concern that people were getting more assistance (repeat loans) and others were having difficulty getting a

first loan. This perhaps demonstrates a lack of clarity on what is a grant and what is a loan and the “commercial” nature of loans and repeat loans.

6.1.6 Access to Market and Trade

The level of access to markets and trade has not been easy to assess, but it was not put forward by any of the refugees interviewed as an obstacle.

a) Impact/achievements

Refugees are accessing markets and are trading their goods.

b) Constraints/challenges

- The current clamp down on the “grey economy” will affect some of the refugees in that they are gaining an income through informal trading and casual work.
- Unexpected increases in the price of inputs can affect the level of profitability and income from income generating projects. (e.g. The introduction of VAT on chicken feed increased the price of this input and directly reduced the profitability of rearing chickens).
- Agricultural prices can be extremely variable, making it difficult to predict if a crop will be profitable or not.

6.1.7 Social Capital – Skills and Resources (training)

Access to vocational training seems to be very varied with some interviewees reporting that they had received training and others that they had not been offered any such opportunities.

In terms of resources, some refugees managed to bring vehicles and household goods with them, others came with virtually nothing. Resources for building self-reliance and local integration have mainly provided through the loans and grant schemes. However, in the case of elderly and vulnerable refugees it can be seen that their resource base is in fact reducing.

Refugees access land for agriculture mostly through renting, but not through purchasing.

a) Impact/Achievements

- Vocational training has improved from the initial programmes, in terms of variety of training provided, and the variety of methodologies
- Apprenticeship type of arrangements for the training of youth are proving a more effective method of increasing their chances of employment.
- Refugees are managing to access their pensions from Bosnia-Herzegovina and Croatia. They have been assisted in this by a variety of agencies and organisations.
- Refugees have managed to access personal and property papers and in some cases have recovered and sold their property or land.
- Refugees are managing to access land and grow crops, albeit through renting. There appears to be a mixture of long-term arrangements and one year only agreements.

b) Constraints/Challenges

- The number of young people in particular, that are in need of assistance is much greater than the size of the programmes addressing vocational training.
- Elderly people who were able to earn an income when they arrived in Serbia and Montenegro are now getting older and sicker. Their ability to support themselves and their resources are thus diminishing. Therefore their expected self-reliance is decreasing instead of increasing.

- The pensions from Bosnia-Herzegovina are small in comparison to the cost of living.
- Many property issues remain unresolved in Croatia and this is limiting the opportunities for refugees to sell up and use the money for investment in their future in Serbia.
- Sometimes the refugees must invest a lot of work to bring neglected land back into use and then they may only be able to rent it for one year. The following year they then have to start afresh on a new piece of land.

6.1.8 Community Organisation, Solidarity and Social Cohesion

Refugees have formed their own associations to try and address their concerns. On the side of the local communities, there is general acceptance of refugees within the community, and little or no open hostility towards them.

a) Impact/achievements

- Refugees have come together to form their own associations. These are not intended as political organisations but formed to support refugees in their choices of repatriation or integration.
- The associations have carried out surveys of priorities for their members, which can be used for targeting appropriate assistance.
- In general, there were good relations between refugees and their local national neighbours, with refugees citing examples of kindness and cooperation. On several occasions, during refugee interviews, the mission met nationals who were visiting their refugee neighbours.
- Children are attending local schools without any difficulties.
- Locals had little apparent problems with accepting refugees.

b) Constraints/challenges

- The levels of cooperation among the different, geographically dispersed, refugee associations is not clear.
- The organisations are not being involved as one of the partners in beneficiary identification. This can lead to some distrust and misunderstanding of selection criteria etc.

6.2 RECOMMENDATIONS FOR ISSUES RAISED AT HOUSEHOLD AND COMMUNITY LEVEL

Food Security (Income Support)

1. The social welfare systems are overloaded and cannot deliver some of the basic assistance that would be required by vulnerable families. There are families who will not be able to feed themselves or heat their houses over the winter. Winter is a particularly critical time as casual employment opportunities are less, and the demands on the household budget higher through heating costs. A joint assessment of the situation, as it relates to refugees, IDPs and vulnerable nationals, should be carried out together with the MCDP and SCR, Ministries dealing with social welfare, local NGOs and other interested parties, resulting in better awareness of the actual situation and a basis for planning the necessary support, and seeking external funding assistance if necessary. This assistance may be as necessary for those in institutions as those in private accommodation and collective centres.

Access to services

2. An assessment needs to be made of the vulnerable families and especially those living in private accommodation. Those in need of assistance vary in estimate from 30,000 to

50,000 people. Coupled with this, is the fact that refugees are getting older and are more often sick. (E.g. a woman who arrived in 1991 aged 55 and was fit to look after herself is now 68 and may be a lot less fit and not able to earn income through ill-health. In this case her ability to be self-reliant is reducing rather than increasing.) Given this situation, and the fact that the case-load in collective centres and in poor private accommodation will become increasingly more demanding to deal with, - as the able-bodied people have often had more opportunities for self-reliance - it is recommended that the reduction in field offices be re-examined as there must be continued protection and outreach to vulnerable families and at least regional access to UNHCR for them.

3. Support to the network of NGOs reaching out to the vulnerable should be continued, and the resources to offer assistance, strengthened.

Access to accommodation and closure of Collective Centres

4. The ownership of all houses, built for or together with refugees, should be made over to the refugee families (women and men together) as swiftly as possible. This must be actively pursued by the SCR, UNHCR and their partners.
5. PIKAP is being offered as the foremost assistance to transition from living in a collective centre to living in private accommodation. There needs to be an evaluation of the families that took PIKAP 12 months ago, so that the impact can be understood, and if necessary, adjustments made to the programme to make it more effective. The UNHCR/SDC housing programme should phase out as programmed with a continuation of partial self help as appropriate (i.e. building materials for completion of unfinished or un-repaired houses). Attention should be made to providing the correct materials and engaging in discussions with the beneficiaries so that they concentrate on finishing at least a liveable space that is weatherproof, rather than being left with a larger house half built and still no solution to the family's shelter needs – e.g. more roofing materials and fewer bricks.
6. The mission is aware that with the phasing out of the housing programme, some of the refugees and IDPs in poor private accommodation will not have the opportunity to improve their living conditions in the near future. The focus for those beneficiaries that do not have access to building plots, should be on income generating activities, vocational training, grants and credits, in an effort to provide sufficient income, so that when funds become available for social housing, they will be financially in a position to take up these loan opportunities.¹¹
7. Once housing finance is available, the experiences in the municipality of Bac should be built upon. (In Bac owners of empty houses were matched with prospective refugee buyers on a voluntary basis, and they negotiated with each other on the price of the property. Once agreed, the bank provided a loan to the buyer and paid the seller immediately.) In the future, the new owners could also be assisted to access grants to improve old or neglected buildings, once purchased.
8. Monitoring should be carried out of all institutions built or extended through support to refugees and IDPs, whether supported by UNHCR or another agency. This will establish if such models can be funded and sustained by government and municipalities given the budgetary constraints they face. Such information may strengthen either the case for additional institutions or for extension of care in the community.

Access to financial services

9. It is necessary to continue grants and soft loans, as the short grace period and the guarantor issues related to micro-finance can be a barrier for some refugees and IDPs. The grants and loans can provide that vital starting point, upon which they can build, to later be able to access loans with more demanding criteria.

¹¹ The biggest concern is, that in the meantime, there seems to be no simple solution for the vulnerable groups in poor private accommodation.

10. There were some concerns expressed about some people getting repeat loans when some others had not managed to access a single loan. While this perhaps demonstrates a lack of understanding as to how micro-finance operates, monitoring should continue of the micro-finance institutions to ensure that a sufficient percentage of their portfolio is available to first time borrowers. This should not however interfere with their independence and management of their institution. It is anticipated that as a result of the current consultancy in support of the micro-finance institutions, that such issues will be taken into consideration and dealt with as is appropriate for the sector.
11. The receipt of one grant, or soft loan should not exclude a refugee or IDP for applying for another one. One opportunity in 10-12 years, perhaps in an area that was not appropriate for the person concerned, should not disqualify them from further assistance. However those that have never received assistance should remain a priority.
12. There are plenty of programmes that address the further development of small enterprises. An advice sheet on the various programmes and available business support (one-stop-shops, business development centres, local development agencies, trade associations, linkages to larger companies, etc.) would be a useful addition to the information available to the businesses being supported through micro-finance.

Access to market and trade

13. Continued access to markets and trade needs to be monitored to see if new legislation is affecting the ability of refugees to pursue their income generating activities.

Social capital – skills and resources (training)

14. Vocational training is a specialised subject, and as such it would be profitable to gather some lessons learned and look at good practices to determine the focus for future programmes. Also profitable, would be an examination of the national programmes, available to all sections of the population, to ascertain how they might address some of the needs of refugees.

Community organisation, solidarity and social cohesion

15. Programmes of peace-building and promotion of tolerance, especially among youth should continue.

6.3 ISSUES AT MUNICIPALITY/VILLAGE LEVEL

The response of the municipalities to the influx of refugees appeared to be very much related to the social and economic status of the municipality and also the resident ethnic majority.

a) Impacts/Achievements

- In rural municipalities with dwindling and aging populations, the arrival of the refugees has breathed new life into the area, and helped increase the number of young people.
- The refugees are regarded as being skilful and it is thought that they can influence the local population with respect to seeking solutions to their own poor economic condition.
- One rural municipality was so pleased with the success of the refugee housing programme that it had identified further plots which they were prepared to provide and service for 20 more housing units.
- Some municipalities were very aware of the difficulties being faced by refugees and had initiated small “one time payments” for urgent needs (e.g. funerals).

- Several of the trustees¹² met by the mission, went beyond their job description in actively promoting and participating in activities for the improvement of the lives of the refugees in their municipality.

b) Constraints/Challenges

- Only some of the social housing or buildings for health institutions have included some benefit for the vulnerable in the local community. Too many of the family-based housing programmes have been exclusively for refugees, despite demands on the municipalities resources in terms of plots and infrastructure.
- The problem of unemployment means that the local population can easily be jealous of opportunities for income generation or employment given exclusively to refugees. It was felt that even small inputs to the local community would ease the integration process.
- The possibility of supporting housing projects through the provision of free land and the provision of the associated infrastructure depends on the financial situation of the municipality, especially in relation to land prices. Some municipalities, who were willing to support refugee housing projects, had to be assisted by an international agency or NGO in providing the agreed infrastructure.
- In the housing agreements, the municipalities were expected to allocate land or provide employment for one member of the family who would occupy the houses. This proved to be impractical when it would be difficult to justify setting aside a job for a refugee in an area with high local unemployment. Land is available to rent, but the municipalities do not have agricultural land at their disposal.
- The Centres for Social Work in the municipalities are under-funded, and the influx of refugees (and IDPs) has put additional strain on the meagre resources.
- There are significant levels of serious illness among the refugees and IDPs and the medical system cannot cope with the need for expensive medicines.
- A lot of nationals as well as refugees have been building on illegal plots and this is now in the process of being regularised and in future the building and planning regulations will need to be adhered to. The regularisation of the unregistered building plots could take a minimum of 3 years to complete.
- The rural municipalities would like to see assistance to refugees to allow them to purchase and repair empty houses.
- In areas with non-Serb national population there was some anxiety about the change in ethnic balance due to an influx of Serb refugees and IDPs. In some areas these fears have diminished and the refugees have been accepted, but in others the clear message is that repatriation should be encouraged as the only choice of durable solution for refugees and that the international community is not doing enough to bring that about.

6.4 RECOMMENDATIONS FOR ISSUES RAISED AT MUNICIPALITY LEVEL

1. Any activity targeting refugees and IDPs should include at least 5 to 10% of the local community as beneficiaries. It should not matter what the source of the funding is, either partner funds or parallel programmes must be found to address the national need, or quite simply the refugee / IDP funds must be shared.
2. It is recommended that the funding of the network of local NGOs, who provide much needed outreach and psychological support to vulnerable refugees and IDPs, be continued. It would be best if this could gradually be expanded to include local vulnerable cases, and

¹² Trustees are responsible for refugee and IDP matters in the municipalities where they are employed. They are employees of the municipality, but report to the CRS.

a broader range of support. Through their work, the mobile teams and the counselling NGOs are assisting the municipalities and the MLESP in sharing the burden of the increased vulnerable case load.

3. SCR, MCDP and UNHCR could more actively support local NGOs and municipalities in joint preparation of applications for Social Innovation Funds and Embassy funds for projects targeting vulnerable groups living in the community;

Ministry of Social Affairs (MOSA) established the Social Innovation Fund (SIF) in order to enable the implementation of innovative projects presented jointly by public centres for social work and NGOs providing social services. This new program is designed to target vulnerable groups and foster relations between government and non-governmental organizations, encouraging a joint strategy towards the vulnerable groups. Having in mind the extensive experience of civil society organisations in providing services to the poor and vulnerable (as well as global trends in social sector) the Social Innovation Fund introduced the system of a social welfare mix – thus including new actors such as the private profit and non-profit sectors in the social services provision. Building on previous EU assistance to Social Innovation Fund, EAR intends to support the following activities: (i) contribute to the Fund for the projects which are dealing with poverty alleviation; (ii) support to Management Unit of the SIF; (iii) support to Monitoring Units in the field to evaluate the impact of the SIF projects implemented throughout Serbia.

4. Programmes of peace-building and promotion of tolerance, especially among youth should continue, especially in areas where there are substantial minority populations.

6.5 ISSUES AT NATIONAL LEVEL

In section 3 of the report, we have seen the important contributions made at national level on policy for refugees, especially in Serbia. In this section it is therefore proposed to deal directly with the issues rather than repeat achievements and then look at constraints.

a) **Vulnerable Groups**

- Due to budget constraints, the level of care and support available through the MLESP is not sufficient to support vulnerable families that are entirely dependent on social assistance. The economies of Serbia and Montenegro have not improved as swiftly as was anticipated and therefore the expected increase in government budget has not materialised, thus creating a gap in the phase out of humanitarian assistance and the pick-up of the government's own resources. Therefore, although the achievement of citizenship by refugees can be regarded as them having found their durable solution, it may prove not to be so durable for some vulnerable sections of the refugee population.
- There are gaps in the health insurance fund partly due to influx of refugees.

b) **Access to Accommodation and Closure of Collective Centres**

- It is clear that there is a great demand for social housing, but at present there is a lack of Social Housing Policy to address the needs of the poorer section of the population¹³. The demand is from vulnerable nationals as well as refugees. The current private mortgage lending is geared towards the better-off sections of the population.
- Two housing programmes have been under discussion for two years - the Italian funded UN-HABITAT programme and the CEB financing for social housing. There have been valid reasons for the long discussion periods, but it does

¹³ This is just one of the issues surrounding policy development priorities for housing as described in The Housing Sector – Access to Affordable Housing, Stability Pact, April 2004.

demonstrate that development activities can take a long time to reach the implementation stage and effectively come on-board.

- Although building on the cheaper un-registered plots may solve the problems of individual refugee families, it provides problems for the Government in terms of uncontrolled land use, possible conflict with other groups, and the tendency to create ghettos on the periphery of large towns. However it is clear that uncontrolled land use is a huge challenge facing the government in terms of the local population and is not only a refugee problem. In 2003 a new Law was passed aiming to address the uncontrolled land use and uncontrolled building standards. Two of the most relevant pieces of this legislation are (i) that the electricity company cannot connect a house to the electricity network unless the owner has the proper building consent and registration papers, and (ii) that a registered contractor must build the house. Since the Law was passed, the Government has issued statements to the effect that some of these restrictions could be eased for vulnerable groups including refugees, and more strictly applied for those involved in building as a commercial venture. The government have also announced a type of amnesty for building erected without planning permission and are embarking on a registration programme. Many refugees who have started or completed building their homes on non-building land are hopeful that they can regularise their homes. However, this exercise is likely to last a minimum of 2 to 3 years. Proper registration and all permissions can cost up to €2,000 according to one source.
- The one-year planning and budgeting cycle of the UNHCR means that agreements must be made after the start of the year, and as a result, the start of construction can be delayed until August thus making finishing within a 6-month period difficult, especially as some activities cannot be carried out in the winter months.
- There is fairly good knowledge of the target groups and the numbers in relation to activities targeting the Collective Centres, but accurate data on the housing needs of those in poor private accommodation is not available.

c) Micro-finance

- There is a lack of legal framework for Micro-finance Institutions in Serbia. At present the micro-finance institutions are functioning under a letter from the National Bank of Serbia. In Montenegro the proper legal framework is in place.
- In accordance to UNHCR's long term plans for responsible phase out from its Micro Loan Project, UNHCR IPs will continue disbursing loans from the existing revolving fund and cover their operational expenses from the interest income.

d) Vocational Training

- There are successful examples of vocational training, but the focus on this activity appears to have been less than on income generation and housing.

e) Policy and Legal Issues

- Political changes and uncertainties have delayed some of the reforms that are necessary to provide a conducive environment for investment and development assistance.
- Implementation of the national strategy for Refugees has tended to focus on the closure of collective centres. This is logical from a budgeting point of view, but has resulted in the exclusion of those in poor private accommodation from the programmes on offer.
- Local NGOs are providing valuable support particularly to vulnerable refugees and nationals. They are however operating without a policy framework or legislation for NGOs.

- The agricultural sector is another area where reforms are needed, and a corresponding improvement in the agriculture operating environment, which fosters the general enhancement of rural livelihoods.

f) Cross-cutting issues

- The visibility of refugees is diminishing, and there is a need to keep reminding humanitarian and development partners that there are still in need of support.
- As the refugees in Serbia can gain citizenship relatively easily, and as the application for citizenship is a precondition for certain types of assistance (i.e. housing), it may be that refugees are gaining citizenship before they have become self-reliant in terms of accommodation and income generation.
- The proposed re-registration of refugees is expected to be feed into a regional three-country exercise – Serbia and Montenegro, Bosnia and Herzegovina, and Croatia. Part of the aim is to be able to cross-check databases for ascertaining the levels of support different refugees and/or returnees are accessing, and thus better target support to those in real need. Access to and levels of pensions in countries of origin is one area that is unclear at present.
- Considerable support is being provided by a variety of agencies and NGOs on recovery or re-instatement of personal papers, and property rights. There are very many outstanding cases in Croatia.
- Good use has been made of the media – magazines and television. Especially in the case of television, it has been a very successful vehicle in spreading information and raising awareness of refugee (and IDP) issues including the options for durable solutions and programmes filmed in countries of origin. Free airtime from the television company has made this financially possible.
- Although employment programmes are present, there are insufficient nationwide programmes and initiatives on immediate albeit temporary employment for vulnerable groups including refugees and IDPs.
- Gender: Most income generating programmes are targeting women and men. In terms of housing, there has been some targeting of single women heads of households, but this has been limited. There are specific programmes dealing with SGBV. UNHCR's activities include the putting in place of a reporting system for SGBV, information leaflets, formation of a working group on gender and child protection, preparation of a strategy aiming at addressing / protecting and preventing SGBV, and the planning of a round-table in September for partners.
- HIV/AIDS: Under the UNDAF for Serbia and Montenegro, the lead agency for the support to government in the preparation of HIV/AIDS strategies will be UNAIDS TG, supported in HIV/AIDS education by UNICEF.

6.6 RECOMMENDATIONS ON ISSUES RAISED AT NATIONAL LEVEL

In this section of the report it is not the intention to repeat recommendations made for issues already raised at community or municipal level.

Vulnerable Groups

1. Following on from the report of the Assistant High Commissioner, UNHCR, from his visit to the Balkans in March 2004, the UNHCR in Belgrade and the Europe Bureau should continue lobbying internally within UNHCR HQ for a slower phase-down of assistance and at the minimum, retention of present budget levels.
2. The most vulnerable groups in poor private accommodation should be located and their most pressing needs in terms of accommodation and livelihoods understood and addressed within the limitations of the programmes available. The barriers to accessing programmes

should also be removed (i.e. that they are not accessing certain support because they do not live in collective centres).

3. The MLESP may wish to consider forming a joint working group of UNHCR, local NGOs, international NGOs and development partners, to feed into discussions on care in the community and share experiences of UNHCR supported mobile teams, etc.

Accommodation

4. In a protracted refugee situation and for programmes such as housing provision, the one-year budgeting system of the UNHCR is not appropriate. This should be reviewed to try and establish at least indicative budgets for a three-year period.

Legal Issues and NGOs

5. The legal framework for NGOs and Micro-finance Institutions should be created as speedily as possible;
6. NGOs should be supported by development partners to access capacity building initiatives to make them “fit for development”. This does not mean that they should enter entirely new fields of work, but should look at the work they are carrying out in a development context.

Cross-cutting Issues

7. Refugees who have achieved citizenship before self-reliance should remain eligible to access programmes dealing with income generation, building materials, and social support where appropriate. In order to address this issue, it has been agreed with the SCR, that during the re-registration exercise, the refugees who have obtained citizenship would be de-registered from the refugee data-base, but would receive a special document confirming their former status as a refugee.
8. The SCR should seek support in reassessing the information to be gathered during the re-registration of refugees, in securing funding for its implementation, and in the execution of the exercise.

7 REPATRIATION AND RESETTLEMENT

The main focus of the mission and this report is local integration. Never the less, it is important to have brief look at repatriation and resettlement as they form part of the options for durable solutions and the regional context for choices made by Refugees in Serbia and Montenegro.

7.1 REPATRIATION

Repatriation is being facilitated through regional cooperation. This is being achieved through the efforts of government, UNHCR and international NGOs and Agencies. Key to the success of repatriation is personal security, the recovery of land and property, the restoration of damaged property, support to reintegration, and the re-establishment and recognition of tenancy rights. There are on-going activities addressing all of these issues, but much of the progress will depend on the political will in the region to implement written agreements. The lack of solutions to property issues (repossession, reconstruction, tenancy rights, eviction of occupied properties) remains a major obstacle to voluntary repatriation to Croatia.

7.2 RESETTLEMENT

Over the past years UNHCR and its partners have resettled over 23, 000 refugees. In 2004, the resettlement programme is targeting a limited number of cases (mostly vulnerable), and shall cease in 2005. In the future, resettlement will remain a protection tool, for a limited number of cases (women-at-risk, victims of violence, etc.).

8 IDPs AND RAEs

8.1 SOLUTIONS FOR IDPs

IDPs are in a particularly worrying position within Montenegro where they have very limited access to rights in general, are not considered as citizens, and have no permanent residence status. They also have no right to legal employment. In terms of employment, IDPs are treated almost identically as refugees. In addition, the IDPs are not covered by the scheme of the Montenegrin Ministry of Social Affairs and are without any material support from the international community. An example is provided in the box below.

A young mother is living in private accommodation with three children, the youngest of whom has a serious medical condition, for which he is being assisted with transport for medical treatment by UNHCR. This is the only official assistance she receives. The mother is given €30 a month and receives €40 a month from her previous job in a state restaurant in Kosovo. This money covers her rent and electricity bills only. For the rest she is reliant on going round relatives, who also have very little, and organisations trying to look for help with food and clothes. The ground floor apartment she is living in is dark and damp and the eldest daughter (10) is missing school because she is often ill. Since arriving in Montenegro, her husband no longer lives with the family. She feels that those people in private accommodation are missing out on opportunities for assistance and being left to cope with their day-to-day living alone. Despite going to many offices she has not been able to access loans or in-kind grants. She is visited by a local NGO “You are not alone” which is very much appreciated, but they have no means to offer financial or in-kind assistance.

In both Serbia and Montenegro, many IDPs would wish to return to Kosovo, but they do not feel that this will be possible in the near future. They would only return if their security could be guaranteed, even then, some would prefer to remain within Serbia and Montenegro but outside Kosovo. In the meantime, IDPs would like to have access to programmes for income generation so that they can be occupied and self-reliant. They would also like to access housing assistance and in particular be part of the PIKAP programme for those families that are leaving collective centres.

8.1.1 Recommendations for IDPs

- 1 In future IDPs should be included in all programmes targeting vulnerable groups and specifically those targeting refugees – this would include PIKAP for those leaving collective centres.
- 2 Dialogue with all partners should continue on improving the situation of IDPs, particularly in Montenegro.
- 3 Support to the recovery of personal papers and property, etc. should continue.

8.2 NATIONAL ROMA AND ROMA IDPs

Roma are a specific minority within Serbia and Montenegro, and there is divided opinion as to whether Roma IDPs should be treated as special cases or whether their problems should be addressed within programmes dealing with the Roma population as a whole. It is not possible for this mission to comment on which of these strategies would be best. What it is possible to comment on is the variety of programmes aimed at addressing the needs of Roma and Roma IDPs. I.e.:

- capacity building for Roma Associations;
- legal assistance and tracing of personal papers or obtaining personal papers for the first time;
- support for return to Kosovo;
- vocational training;
- education for Roma children;
- health services for Roma families;
- youth programmes on ethnic tolerance.

Roma have a much more difficult time to integrate within Serbian and Montenegrin communities as their lifestyle and culture are very different from the hosts. Some Roma IDPs are housed in camps. In Konik camp I in Montenegro there are 246 families and in Konik camp II 54 families. The camps are managed by the Montenegrin Red Cross, supported by UNHCR. Another 200 families, which cannot be accommodated, are settled in make-shift accommodation outside these camps.

Some barriers to integration of the Roma IDPs, presented to the mission were: that they are often accommodated in camps or ghettos, they keep livestock including horses in an urban setting; they gather waste for recycling where they live; they do not dispose of solid waste properly; and create a lot of noise. Unfortunately, this puts a strain on the national neighbours, and does not further harmony and integration.

This mission has no specific recommendations for Roma IDPs, as this was not the main focus of the mission, and it would be wrong to draw conclusions based on minimum information. Perhaps it is possible to emphasise that, as is the case with other IDP groups, they are still very much dependent on the continuation of humanitarian assistance.

9 DEVELOPMENT ASSISTANCE

9.1 OPPORTUNITIES WITHIN DEVELOPMENT ASSISTANCE

There are fewer immediate opportunities to link to large programmes of government and development agencies than had been anticipated at the beginning of the mission. This has to do with the continuing need for institutional reform and the passing of laws and setting up of frameworks for operation by government, also the recent political uncertainties, and the slow pace of development funding.

Many agencies will base their future support on the PRSP, and therefore the assigning of the coordination and implementation of the PRSP to a ministry and the development of an implementation plan involving the individual ministries will be vital to allow progress on the PRSP.

This period of transition is characterised by a reduction in humanitarian aid, and thus the continuation of a lower level of assistance to refugees and IDPs. It is also characterised by an increase in development programmes, at present typified by geographically scattered small-scale projects. In this climate, the nature of the UNHCR support to the SCR in addressing the needs of refugees should be reappraised. UNHCR is implementing less and new actors are coming in to address refugee and IDP needs, not necessarily as their primary targets but by including them within vulnerable or semi-vulnerable groups. Therefore the number and variety of actors and their support, though in some cases limited in size, never-the-less contributes to an overall support to refugees and IDPs. This mosaic of opportunities for refugees and IDPs to be included in programmes and projects, needs to be monitored and their participation or access to these programmes must be verified to ensure that they are being included as planned.

One example of a UN agency directly supporting projects targeting refugees is the Support to Refugee Integration Through Agricultural Activities (RITA) funded by the Norwegian Government and implemented by FAO. Based on a successful pilot project, the current assistance is targeting 11 municipalities, and aims to:

- Increase self-reliance of refugee families through access to self-produced food and income resulting from the selling of cash crops;
- Increase interactions between refugee community and local population, resulting from linkages within a network of service providers (agronomic and marketing supports), traders and local consumers;
- Create employment by raising levels of farming professionalism, demands of services and additional trading activities;
- Increase and diversified production of high-value cash crop matched to markets demand;
- To support the emergence or strengthening of refugee and indigenous farmer organisations.

There are of course initiatives and programmes addressing vulnerable and semi-vulnerable groups. On one level there are interventions such as the World Bank financial support to the Government to assist in addressing the health needs of vulnerable groups including refugees, on another level there are discrete projects and programmes. For example, the UNOPS implemented, Italian funded, City to City Programme, some of the projects are targeting IDPs and refugees or minorities such as Roma. The same is true of similar city partnerships supported by the French Embassy. In the “Beautiful Serbia” programme, which has started on a small scale in Belgrade with expansions proposed to Nis and Novi Sad, part of the aim is to create temporary employment while improving the appearance of the towns. The programme is within the Ministry of Labour, Employment and Social Policy with support from UNDP, CIDA, the Government of the Netherlands and the involved municipalities. The aim is to set aside a percentage of the casual employment for vulnerable groups such as refugees.

The mission has started an exercise to try and establish a matrix of who is doing what and where in terms of development programmes which could be accessed by vulnerable groups including refugees and IDPs. This will be submitted to UNHCR for verification and expansions. The aim would be to use such a matrix for assisting government and their partners to identify opportunities and gaps.

9.2 CHALLENGES IN DEVELOPMENT ASSISTANCE

The cooperation with the Hague Tribunal is of interest to many development agencies, when deciding on support to Serbia, but with a few exceptions, is not as critical as the issue of the stability of the current government and its ability to function,.

Many large international NGOs develop their programmes and hold discussions with their prospective funders at national level (e.g. Norwegian Refugee Council is not funded through the Norwegian Embassy in Serbia, but levels of funding and programmes are discussed in Oslo between the respective HQ offices). In addition, several bilateral donors have decided to coordinate their assistance to UN agencies through agreements at headquarters level. While both of these make for good planning and prioritisation of humanitarian and development support, and acknowledging that consultations do take place in country before programmes are designed, it gives partners within the country of operation less opportunity to expand funding partnerships.

Perhaps the biggest challenge is in building upon the start made by the Governments to coordinate donors and aid programmes, and thus identify gaps, overlaps, and opportunities for partnerships. For those concerned with Refugees and IDPs, the challenge will be to see how they are being addressed in the variety of government and donor supported programmes being implemented across the country.

9.3 RECOMMENDATIONS FOR DEVELOPMENT ASSISTANCE

1. The Government with its partners should continue to develop policies and implement laws which will provide a suitable framework for national institutions, civil society and development programmes. An operational framework for the funds for social housing must be discussed as a matter of urgency, in case this will prove an obstacle to the signing and implementation of the CEB loan for social housing.
2. All humanitarian and development actors should support the government in the implementation of the national strategy for refugees, and the lobbying for development funds for direct pro-poor interventions under the PRSP.
3. There must be acceptance that although development programmes and IFI funds are in the pipeline, they are not yet being implemented on a wide enough scale to allow the phase down of humanitarian assistance as was envisaged in end of 2001/start of 2002.
4. Discussions are underway between the Government of Serbia and IFIs on possible support to close the gap in the pension funds. If successful, this would assist the MLESP to redirect its budget, perhaps towards increased social welfare support.
5. UNHCR should strengthen its assistance to the MCDP and SCR in identification of and negotiation with possible funding partners.

6. If the UNHCR field offices are retained as suggested section 6.2 above, they would also have an important part to play in the adaptation of the role of UNHCR. Given that some development actors are in Serbia and Montenegro and that, albeit slowly, the country is entering a development phase, the role of UNHCR should change from that of implementer to that of assisting the MCDP and SCR in monitoring how the various development programmes are addressing the needs of refugees and IDPs - where are they operating geographically, with what types of assistance, what number of beneficiaries and duration of assistance (e.g. public works opportunities, income generating programmes, credit, grants, etc.) This would be in addition to continuing humanitarian programmes. This would support the MCDP and the SCR in their efforts to coordinate donors and ultimately feed into the work of MIER in Serbia.

The gathering of this type of information would confirm that UNHCR was handing over implementation to other specialist agencies and reinforcing its support to the Commissioners Offices, in information gathering and analysis, gap analysis, data-base expansion, etc. Much of this work would demand re-orientation of the UNHCR staff away from implementation into a support and monitoring role. The information from the field and would be gathered at National level and provide both UNHCR and the SCR with a fuller picture of the situation of refugees and IDPs in the country. It is acknowledged that much of the information is there, but it is scattered and difficult to locate and combine.

Complementary to the change of emphasis in the field, would be the need for UNHCR to retain staff at the national level capable of analysis and gap identification and who could provide inputs to senior management in their assistance to the SCR and MCDP in dialogue with development actors. They would also be available to continue supporting initiatives at a technical level, which resulted from initial head of agency and government discussions.

7. With the agreement of Government and other partners, UNHCR would also maintain its role as a neutral agency, in assisting to identify and select beneficiaries from among refugees and IDPs.
8. UNHCR should continue to strengthen the local capacities in both government and non-government sectors for the identification of durable solutions for the remaining refugee and IDP population. In particular, the MLESP, MCI, MIER, SCR and MCDP will have an important role in facilitating refugee-related activities and finding ways for the inclusion of refugees in development processes.

9.4 RECOMMENDATIONS FOR THE WAY FORWARD (UNHCR)

The mission is in general agreement with the Country Operation Plan (COP) for 2005. This document relates to UNHCR activities only. What the mission would like to see is a change of emphasis to continue the important work on long-term goals, but to also recognise the continuing and in some cases urgent humanitarian needs in the country, and an acknowledgement that the pick up by other actors has been slower than anticipated. The mission would also wish to highlight the re-orientation of the office as developed in section 9.3 above.

10 CONCLUSIONS AND FINAL RECOMMENDATIONS

The Development through Local Integration in Serbia in particular, has been very well understood and supported by all actors. It has been characterised by a willingness to be innovative in seeking solutions and addressing the most critical issues facing the refugee population. Much of the progress has been entirely compatible with the framework of durable solutions, although perhaps not as formalised as described in the various stages.

For future programmes, in other countries, one of the lessons learned could be that despite the absence of development actors in the country at the start of self-reliance and local integration programmes, the development actors should be consulted and invited to come in as part of teams appraising the approaches for the refugee programmes. It should be acknowledged that the UNHCR office did try to engage some of the development agencies at earlier stages in the local integration planning, but this did not always meet with success. In this respect, the continuous presence of UNDP in most countries - which was not the case in Serbia and Montenegro - should facilitate this type of input. UNHCR HQ, should be able to discuss the need for such early assistance with government, UN agencies, bilateral and multi-lateral development agencies and international NGOs with relevant experience. It would then be possible to field teams from within the country and/or through interagency cooperation at HQ level. Where partnerships could be successfully formed, the Government would be able to take into consideration the expert advice of development agencies in formulating their programmes of assistance to refugees and other persons of concern, thus strengthening, from the beginning, the possibilities for a smooth transition from humanitarian assistance to development support.

ANNEXES

Terms of Reference for DLI Assessment in Serbia

Review of local integration programme and appraisal of opportunities for local integration in development planning instruments

A. BACKGROUND

1. After a long gestation, the former Federal Republic of Yugoslavia has gone through the process of creating the new State Union of Serbia and Montenegro as prescribed by the Constitutional Charter adopted by the republican and federal parliaments in February 2003. The new President of Serbia and Montenegro, Svetozar Marovic, who at the same time chairs the Council of Ministers, has recently been inducted and the Council of Ministers has been formed. This has occurred despite the great challenge posed by the assassination of Serbian Prime Minister Zoran Djindjic who was so instrumental in forging this crucial agreement.
2. Economic progress in the country has been slower than expected. An increase in average salaries has been accompanied by an increase in the number of unemployed. Humanitarian aid is waning as development assistance increases with Serbia's emergence from international isolation. To date, development assistance has focused predominantly on the energy and infrastructure sectors and not on poverty alleviation and social welfare.
3. The political instability and obvious presence of organised crime can be expected to discourage foreign investors and slow economic recovery; however, the assassination of Prime Minister Djindjic should not halt the progress of economic reforms. In particular, European Union support should help to stabilise and improve the country's economic outlook. However, continued international support to the country is contingent on co-operation with the Hague Tribunal. The United States has indicated that it will suspend financial support to the Government of Serbia and Montenegro in 2003 if the Government fails to provide sufficient access to archives and extradite indictees to the Tribunal.
4. In May 2002, the Serbian government adopted the National Strategy for Resolving the Problems of Refugees and Internally Displaced Persons and displayed a firm commitment to addressing the needs of refugees. In Montenegro, the Office of the Montenegrin Commissioner for Displaced Persons has initiated the process of drafting a basic document to be used as a blueprint for a future National Strategy for Refugees and IDPs.
5. With the exception of three Southern Serbian municipalities Presevo, Bujanovac and Medvedja, the security situation in Serbia and Montenegro has improved significantly, permitting unhindered operations. In recognition of this fact, the UN Security Phase in the country was lowered to No Phase at the beginning of 2003, but had to be raised temporarily again to Phase One in March, only in Serbia, during the state of emergency declared by the Serbian Government after the assassination of the Prime Minister Zoran Djindjic. The state of emergency did not affect UNHCR's activities. The UN Security Phase is predicted to remain at No Phase level in 2004.
6. In this post-emergency phase, UNHCR is increasingly focusing its activities on core mandate/protection activities. These activities are addressing the three caseloads of concern to UNHCR: refugees and asylum seekers from outside the region and the building of asylum in Serbia and Montenegro, IDPs from Kosovo, and the post-Dayton refugee caseload.

The Post-Dayton Refugee Population

7. The estimated number of refugees in Serbia and Montenegro at the end of March 2003 was approximately 344,434. Some 119,264 originate from Bosnia and Herzegovina (BiH); 224,527 from Croatia; 630 from Slovenia; and 13 from Macedonia. Serbia hosts 331,035 refugees, and Montenegro 13,399. The main influxes from Croatia, Slovenia, and Bosnia and Herzegovina occurred between 1991 and 1995 due to war and ethnic persecution, while the Macedonian caseload arrived in 2001 as a consequence of armed clashes between Government forces and armed ethnic Albanians. These figures are based on the refugee registration (2001) and the de-registration process undertaken by the Serbian authorities in 2002. The number of refugees between 1996 and the beginning of 2004 has been reduced by more than half. This is a result of the regional return process to BiH and Croatia, local integration in Serbia and Montenegro or resettlement programmes.
8. The adoption of the National Strategy for Resolving the Problems of Refugees and Internally Displaced Persons by the Serbian Government in May 2002 indicates the Government's resolve to address the needs of refugees in their search for durable solutions.

UNHCR's role

9. The amount of humanitarian assistance from all agencies has been reduced drastically – to approximately one-third of the level available in 2000. The World Food Programme, ICRC, and ECHO are all phasing down or out in the course of 2003. In 2004, with the exception of smaller NGOs, UNHCR is likely to be the sole remaining provider of humanitarian aid.

Closure of Collective Centres and Local Integration

10. The gradual closure of collective centres remains one of the most sensitive programmes in Serbia and Montenegro. In this process, led by the Serbian Commissioner for Refugees, UNHCR assisted during 2003 in the closure or conversion into homes for elderly of more than 117 collective centres and helped in finding solutions for more than 6,000 refugees.
11. UNHCR's strategy is to reduce the dependency of refugees and IDPs on humanitarian aid by developing their self-sufficiency through housing and self-reliance programmes and facilitating return. Another 206 collective centres remain on the agenda for 2004 and beyond. Interviews identifying feasible durable solutions for residents of these centres have been conducted during November and December 2003 allowing better planning of resources and implementation of solutions for refugees.
12. In addition to the loan programme, over 400 in-kind grants have been distributed to the beneficiaries within the ECHO funded project during the first six months of 2003. Some 25 refugees have also received vocational training for the apprenticeship programmes for refugees in Central and South Serbia.
13. UNHCR played an important catalyst role in attracting bilateral assistance aimed at finding durable solutions for refugees and IDPs. These efforts resulted in substantial contribution of the Government of Italy for the UN HABITAT housing programme (Euro 14 million) as well as in two major loans under extremely favourable conditions provided by the Council of Europe Development Bank (Euro 20 million) and the European Agency for Reconstruction (Euro 37.5 million over two year period).

Food Aid Situation and Social Programmes

14. UNHCR and WFP conducted a joint assessment mission in the first half of 2003. The key recommendation of the mission was that food aid should continue over the winter months of 2003/2004, but with reduced number of beneficiaries, i.e. from 96,000 to 60,000 at the end of 2003. Closely linked to this theme is the process of drafting the Poverty Reduction Strategy Paper (PRSP). It is the crucial instrument for the future planning and has a direct

impact on UNHCR's activities in 2004. UNHCR has been successful in advocating for the inclusion of refugees and IDPs in the PRSP, having stressed the link between displacement and poverty.

Humanitarian Assistance

15. Serbia and Montenegro face an overall reduction of international humanitarian assistance programmes. Two of the main humanitarian organisations will close offices at the end of the year – ECHO and WFP. The progressive reduction in humanitarian assistance is thus a cause for concern, in particular because refugees and IDPs are not fully integrated in bilateral development programmes, many of which are still at the planning stage. UNHCR has ensured that refugees and IDPs are included as target groups of the Poverty Reduction Strategy Papers which set the framework to reduce poverty in Serbia and Montenegro through concrete programmes of economic assistance. UNHCR and ICRC have completed an IDP needs assessment mission linked to the passing over responsibility for the remaining extremely poor IDPs in Serbia and Montenegro to the respective Ministries of Social Welfare. Likewise a separate refugees' needs assessment mission by WFP and UNHCR estimates that some 40,000 vulnerable and poor refugees will still require food aid assistance in 2004.

Local Integration – Naturalisation

16. The local integration of refugees is one of the three possible durable solutions (beside repatriation and resettlement). In that regard the naturalisation of refugees is an important factor and condition for successful outcome of that process. Simplified acquisition of citizenship for the post-Dayton refugee caseload (i.e. for those who decided to integrate in the country) thus enables significant number of refugees to obtain the durable solution in Serbia and Montenegro.

Local Integration - Housing

17. The biggest challenge in the housing sector with regard to UNHCR activities will be the absorption of UNHCR's housing programmes into the future Government run Social Housing and Affordable Housing (mortgage loans) systems in Serbia. UNHCR is phasing out its housing programmes by the end of 2003 and the Government has not yet established either of the two above-mentioned systems or developed the relevant legislative framework. With the aim of accelerating these processes, UNHCR has encouraged and assisted the government in establishment of the Housing Secretariat as the principal co-ordination body in this sector.

Local Integration - Income Generation

18. In this sector, the lack of a legal framework for micro credit organisations remains the main challenge. UNHCR is phasing out from this sector by the end of 2003 and will provide the necessary "umbrella" for the partners in 2004, but will not invest further funds nor cover any operational expenses. UNHCR and other members of the Microfinance Policy Working Group will continue lobbying with the Government to provide necessary legal conditions for the implementation of this programme in the future.

Capacity and presence of implementing partners

19. UNHCR protection and durable solution related activities in Serbia and Montenegro are implemented through three government partners: the Serbian Commissioner for Refugees, the Serbian Ministry of Social Welfare and the Montenegrin Commissioner for Displaced Persons, and 15 GO/ NGO implementing partners.

20. Humanitarian assistance and durable solutions programmes for refugees are phasing out. As development agencies are moving in many international NGOs are phasing out their programmes in Serbia and Montenegro. While UNHCR will continue to support its

Government partners, the number of direct implementing partners will decrease. It is expected that following several years of building the capacity of local institutions and NGOs, local partners will implement many of UNHCR 2004 programme activities.

Presence and roles of other UN Agencies and IOs, and efforts made to co-ordinate activities for the implementation of protection and assistance activities for populations of concern

21. UNHCR, as an active member of the UN country team, collaborates extensively with other UN Agencies in Serbia and Montenegro. In particular, UNHCR works closely with UNOCHA on IDPs (protection issues, information dissemination, and property restitution), with UNDP on housing and micro-finance (development of a housing fund within the Serbian Government and drafting of Micro-finance legislation), with UNAIDS, UNICEF and UNDP on AIDS, and with many UN Agencies on the development of the Poverty Reduction Strategy Paper.
22. UNHCR will continue to work with other UN agencies to ensure that refugees and IDPs are incorporated in activities targeted at achieving the Millennium Development Goals. In particular, UNHCR will strive to include to refugees and IDPs in the Common Country Assessment and the resulting UNDAF Programme for 2004-2006. UNHCR will also strive to co-operate with relevant agencies in the implementation stage of the National Strategy on the Integration and Empowerment of Roma. UNHCR has established a fruitful co-operation with OCHA related to training on the Guiding Principles on Internal Displacement and the carrying out of a gap analysis on the legal and protection situation of IDPs in Serbia and Montenegro.

Durable Solutions goals and objectives – 2004 Country Operational Plan

Goal(s):

1. Ensure that the limited funds are used to assist the most vulnerable and needy refugees and with maximum efficiency.
2. Ensure that vulnerable and poor refugees are assisted under the PRSP and national schemes.
3. Provide timely and accurate information and provide all necessary legal assistance to refugees to enable them to make an informed choice of seeking a durable solution.
4. Strengthen national capacity and collaborate with the government on seeking support for the National Strategy thereby ensuring that refugees have a definite opportunity to seek durable solutions.
5. Facilitate greater co-operation between the SM, BiH and Croatia to tackle issues such as de-registration as well as on issues which will improve conditions for refugees to return to their country of origin.

Some durable solutions related objectives in 2004:

- To provide limited integration assistance to current residents of collective centres to enable them to move out and thus decrease the number of collective centres
- To provide legal assistance to refugees with respect to issues faced in displacement.
- To inform refugees on specific issues facilitating achievement of durable solution.
- To advocate with the Government to continue using the de-registration benchmarks so as to de-register those refugees who have managed to find a durable solution.
- To encourage and facilitate bi- and tri-lateral Government co-operation aimed at facilitating durable solutions.
- To ensure that refugees are integrated in bilateral and multilateral development initiatives

B. REVIEW OF LOCAL INTEGRATION PROGRAMME AND APPRAISAL OF OPPORTUNITIES FOR LOCAL INTEGRATION IN DEVELOPMENT PLANNING INSTRUMENTS

1. In order to design responsible phase down and a DLI strategy as way forward UNHCR, in close collaboration with its partners would like to undertake review of on-going local integration programme. The review would be carried out by a Consultant with the objective of drawing lessons that could help:
 - adapt/adjust local integration programme that could help design responsible phase down;
 - analyze existing development planning instruments such as PRSP, CCA/UNDAF, Development Plans of Government of Serbia, Country Frame of bilateral donors, to identify opportunities in development programs and funds that could support local integration;
 - draw up plans for promoting Development through Local Integration (DLI) for refugees;
 - collect data/information that would help facilitate integration of DLI in development processes;
 - draw lessons that could also be helpful in developing DAR and DLI Guidelines.

2. The review, using community based participatory approach to the extent possible ensuring active participation and involvement of refugees and hosts and other stakeholders would aim to determine:
 - Overall impact and effectiveness of local integration programme; identify successes, constraints and gaps in the implementation.
 - Social and economical interactions between refugees and local populations; social sector activities; and related impact in improving the quality of life of refugees and host population – the socio-economic impact with focus on housing, health, education, water sector activities.
 - Community based infrastructure and its impact on improving the quality of life for refugee and host populations.
 - Co-ordination and co-operation mechanisms in place; their effectiveness and impact on local integration programmes.

3. The review will focus on:
 - I. *Rapid analysis of the local integration strategy in terms of, access to housing, livelihood, social and economic welfare:***
 - Food security:
 - income sources (self-initiatives or agency supported including food-for-work, cash for work)
 - land availability and suitability
 - food production (for household consumption and surplus to cater for other refugee needs),(average production in the two harvesting seasons)
 - sustainable access to agriculture inputs (tools, seeds, fertilizers, storage, technical inputs) and agriculture related services
 - Access to financial services;
 - Access to market and trade;
 - Social capital – skills, resources;
 - Community organization and solidarity, small holders associations/co-operative/production groups, mixed with nationals or not, etc)
 - Legal issues impacting self-reliance, livelihood including freedom of movement and access to work, policy of the Government on land, willingness of the nationals to avail more farmland to refugees and encroachment problems, taxation policy for refugees and who is collecting what and impact on trade, (self)employment, markets, right to associations, etc

- Numbers and living conditions of refugees, phased out of assistance and those under various scale of distribution.
 - Other coping mechanisms, employment, trade and income generating activities.
- II. *Examine the capacity of departments to implement local integration programmes including UNHCR funded projects:***
- Level and quality of services delivered by the Government departments.
 - Review of implementation of UNHCR funded projects by the Districts (??) (success, failure, problems encountered, financial management/accountability, reporting etc)
- III. *Assess possible way forward including link to Government of Serbia's Development Plans and phasing in of development partners:***
- Prospect of integration of UNHCR funded projects/programme in PRSP, UNDAF, Development Plans, Programs and Funds of bilateral donors, IFIs and the Government of Serbia.
 - Resource mobilization for DLI in conjunction with other UN Organizations.
 - Phasing in of development partners including role of other UN agencies.
- IV. *Examine the Linkage of Services with the Community/Refugees:***
- Community involvement and participation.
 - Availability of community resources.
 - Improvement in quality of life of hosts and refugees

Methodology

4. A combination of quantitative and qualitative methods to collect detailed and accurate information that would reflect ground realities and their intricacies is suggested. The team should use secondary and primary data and could use the following methodologies:
 - i) Interviews
 - ii) Review and analysis of documentation (to be provided by UNHCR Serbia)
 - iii) Review of partners' reports containing observations and assessments
 - iv) Review and in-depth analysis of PRSP, UNDAF, National Development Plans, Country Frame of major bilateral donors etc.
5. In this regard the consultant will interview UNHCR staff at HQs, Branch Office and Sub Office(s); partner agencies and Government counterparts; hold discussions with selected donors; interview implementing and operational partner NGOs; interview refugees and host population; review monitoring and evaluation documents of UN and NGOs; review situation reports; review government counterparts development progress reports; visit locations and households.

Time Frame

6. The review will be completed within six weeks including report writing. Two weeks of preparatory research work, reading and analysing reports and developing initial framework; three weeks of field trip (could be organised in two segments) including 3 days of interviews, discussions at HQs; one week of report writing. Tentative start up date 01 May 2004.

Expected Output

7. Serbia Local Integration Review Report that will provide information on general impact of local integration activities; reflect on sectoral conclusions especially the housing and livelihood sectors; identify opportunities in development planning instruments of the Government of Serbia and development partners and IFIs; draw lessons learned for the purposes of DAR and DLI guidelines; and, recommendations on responsible phase down of UNHCR activities and the way forward on the DLI Strategy in Serbia for 2004 and onwards.

8. The report will be in summary form not exceeding 25 pages, excluding appendices and annexes, with clear summary of findings and recommendations.

Management of the Review Process

9. The review will be managed by the Europe Bureau/Desk xx and the Reintegration and Local Settlement Section, Division of Operational Support at HQs and in Serbia the process will be overseen by the Representative of UNHCR.

Budget Code

10. Budget code, item and sub-item: 2004/VAR/LS/418 P.21.j.10999

S. Malik
RLSS/DOS
23 April 2004

UNHCR Consultant Mission Agenda

Wednesday, 19 May 2004:

- 16:30 Arrival to Belgrade (Flight LH 3402 from Munich). UNHCR will provide transport from airport to UNHCR Office in Krunska 58.
- 17:15 Briefing (UNHCR Office) with:
Mary Jane Meierdiercks-Popovic, Senior Programme Officer
Milos Terzan, Senior Programme Assistant
- 19:00 Check-in in Hotel "Metropol" (transport provided by UNHCR).

Thursday, 20 May 2004:

- 09:30 Meeting with MicroFinS (Rackoga 3) - Braco Sasa Dimitroski, CEO
- 11:30 Meeting with InterSOS (UNHCR Office) - Enrico Visentin, Head of Mission
- 14:30 Briefing (UNHCR Office) with:
Dario Carminati, Representative
Mary Jane Meierdiercks-Popovic, Senior Programme Officer
Milos Terzan, Senior Programme Assistant
- 16:00 Meeting with USAID (UNHCR Office) - Mr. Michael Enders, Director
- 20:00 Dinner

Friday, 21 May 2004

- 10:00 Meeting with UN-HABITAT (Makenzijeva 57) - Djordje Mojovic, National Director
- 11:30 Meeting with UNDP (Internacionalnih brigada 69)- Paola Pagliani, Programme Officer and Rasa Buric, Liaison Officer.
- 13:00 Working lunch with Vladimir Tsurko, Deputy Representative
- 14:00 Meeting with MDF (Kneginje Zorke 11a) - Jasmina Glisovic, Micro Credit Manager
- 16:00 Briefing (UNHCR Office) with Isabelle Mihoubi, Senior Protection Officer and Protection Unit

Monday, 24 May 2004

- 08:30 Meeting with SDC HO (Petra Mrkonjica 11) - Ernesto Morosin, Head of Office.
- 09:30 Field trip to Belgrade AOR. Meeting with UNHCR's Field Office Belgrade - Jean-Marie Garelli, IDP/Return Co-ordinator . Visit to IGP beneficiaries (Loans, IKG, Vocational Training) and LSP sites (after LSP meeting).

Tuesday, 25 May 2004 - Wednesday, 26 May 2004

08:30 Meeting with the Serbian Commissioner for Refugees (Carice Milice 2) - Dragisa Dabetic, Commissioner, Goran Stojanovic, Deputy Commissioner and Suzana Mistic, Assistant Commissioner.

Field trip to Kraljevo, meeting with UNHCR's Field Office Kraljevo - Stane Salobir, Head of FO. Visit to LSP and IGP beneficiaries (Loans, IKG, VT).

Thursday, 27 May 2004

09:00 Meeting with Vladimir Tsurko (UNHCR Office), Deputy Representative

10:00 Meeting with the Ministry of Capital Investment (Nemanjina 22-26) - Rajko Korica, Deputy Minister for Construction and Vladimir Milic, Assistant Minister

14:00 Meeting with the Ministry of International Economic Relations (Gracanicka 8) - Gordana Lazarevic, Deputy Minister

16:00 Meeting with DRC (Balkanska 48) - Hugh Fenton, Representative

Friday, 28 May 2004

09:00 Meeting with the Dutch Embassy (Simina 29) - Mirjam Krijnen, Head of Development Cooperation

10:30 Briefing (UNHCR Office) with Andrej Mahecic, PI Officer

12:30 Meeting with SDC (Simina 21) - Pierre Maurer, Deputy Country Director and Thomas Ramsler, Deputy Head of Office for Humanitarian Aid

14:00 Meeting with SIDA (Pariska 7) - Jasmina Zoric-Petrovic and Svetlana Basarevic, Programme Officers

Monday, 31 May 2004

09:00 Meeting with FAO (Zarka Marinovica 2) - Gordon Biggar, Emergency Coordinator and Pascal Bernardoni, Project Manager.

11:00 Meeting with NRC (Alekse Nenadovica 7/III) - Slobodanka Krcevinac, Shelter Manager/Deputy Resident Representative

14:00 Meeting with EAR (Vasina 2-4) - Mary Walsh, Director

16:00 Meeting with HELP (Sundeciceva 26/III) - Timo Stegelmann, Head of Mission

Tuesday, 1 June 2004

07:00 Field trip to Vojvodina, meeting with UNHCR's Field Office Novi Sad - Sasa Valadzija, Head of FO Novi Sad. Visit to refugee local settlement project (housing) LSP and IGP beneficiaries (Loans, IKG, VT).

Wednesday, 2 June 2004

09:00 Meeting with CHF (Ljutice Bogdana 1a) - Darko Radicanin, Programme Assistant

11:00 Meeting with the Ministry of Labour, Employment and Social Affairs (Nemanjina 22-26) - Vesna Piperski-Tucakov, Deputy Minister for Social Affairs

- 14:00 Meeting with the World Bank (Bulevar Kralja Aleksandra 86/III) - Marina Petrovic, HD Operations Officer
- 15:30 Meeting with Mercy Corps (Banjicki Venac 18a) - Mazen Fawzy, Chief of Party and Myriam Khoury, Deputy Chief of Party
- 18:30 Departure to Belgrade Airport (transport provided by UNHCR).
- 20:10 Flight YM 103 to Podgorica.

Thursday, 3 June 2004 - Friday, 4 June 2004

Field trip to Montenegro, meeting with sub-office Podgorica - Sajal Gupta, Head of sub-office.

Departure to Podgorica Airport

19:55 Flight JU 665 to Belgrade

Monday, 7 June 2004

09:00 Field trip to Belgrade AOR . Re-visit to IGP beneficiaries (Loans, IKG, Vocational Training) and LSP sites.

Tuesday, 8 June 2004

09:00 Meeting with Church World Service (Hotel "Palace") - Vitali Vorona, Representative for the Balkans and Dona Derr, Associate International Director

10:30 Meeting with DFID (Resavska 46) - David McIlroy, Deputy Head of Mission.

Report writing and consolidating

Wednesday, 9 June 2004

Report writing and consolidating

Thursday, 10 June 2004

11:00 Meeting with IFC/SEED (Kneginje Zorke 96-98) - Slobodan Nakarada, Country Programme Manager

13:00 Meeting with UNOPS (Cara Dusana 266, Zemun) - Antonio Luzi, Chief Technical Advisor

14:30 Meeting with Group 484 (Gracanicka 10) - Vesna Golic, Director

Friday, 11 June 2004

09:30 Briefing meeting (UNHCR Office) with Vladimir Tsurko, Deputy Representative M.E. Reza, Programme Officer

11:00 Meeting with the Greek Embassy (Simina 15) - Leonidas Papakonstandinidis, Advisor

13:00 Meeting with the French Embassy (Zmaj Jovina 11) - Denis Gaillard, Head of Cooperation Service

15:00 Meeting with the Canadian Embassy - CIDA (Kneza Milosa 75) - Srdjan Svircev, Programme Officer

Monday, 14 June 2004

- 10:00 Debriefing meeting with key stakeholders (UNHCR Office) - USAID, UN-HABITAT, EAR, UNDP, FAO, SCR, MLESA, MIER and SDC
- 15:00 Meeting with UNDP (Internacionalnih brigada 69) - Fransis O`Donnell, Resident Co-ordinator

Tuesday, 15 June 2004 - Wednesday, 16 June 2004

- 09:00 Debriefing meeting with UNHCR staff

Thursday, 17 June 2004

- 14:30 Debriefing meeting with Dario Carminati, Representative

Friday, 18 June 2004

Draft Report submission

- 11:00 Departure to Belgrade Airport (transport provided by UNHCR).
- 12:45 Flight LH 3401 to Munich.

List of Persons Met

Refugees in Zemun, Belgrade

Mrs. Dobrila Ancic
 Mrs. Slavica bucalo
 Mr. Dorde Pribicevic
 Mr. & Mrs. Zarkovic
 Family Rasvo

Municipality Zemun, Belgrade

Mr. Andreja Mladenovic,	Vice-President Municipality Council
Mr. Jovica Andjelkovic	Vice-president of the Executive Council, Municipal Assembly
Mr. Zelko Janic?	Trustee for the Serbian Commission for Refugees ?

Refugees in Palilula, Belgrade

Ms. Milosava Cvijahovic
 Ms. Mohika Cvijahovic
 Ms. Zorka Sekulic
 Ms. Marijana Zagorac
 Ms. Manuela Zagoric
 Ms. Dusanka Zmiric

Municipality Palilula, Belgrade

Mr. Damir Glavonjic	Member of the Executive Board and Trustee, Municipality
Ms. Slavica Kristic	Member of Trustee's staff

▪ *Refugees in Despotovac Municipality*

Mr. Dragan Galijas
 Mr. Milos Devetak
 Mr. & Mrs Vlado Radisevic

▪ *Municipality Despotovac*

Dr. Miroslav Pavkovic	▪ Mayor
Mr. Milomir Bogojevic	Deputy Mayor
Mr. Svetislav Avramovic	Municipal Manager
Mr. Dragi Obradovic	Trustee for the Serbian Commission for Refugees ?

▪ *Refugees in Kraljevo*

Ms. Gordana Vijovic (IDP)

Ms. Nevenka Milekic
Mr. Boro Dulic & father
Ms Mladenka Janic & daughter
Ms Anka Nikolic & son

▪ ***Others - Kraljevo***

Ms. Miloranica Majdak

▪
Landlady

▪ ***Refugees in Apatin***

Mr. Alexa Tintor

▪
President of Refugee Association covering 5 municipalities

Mr. Mirko Repac

Assistant President of Refugee Association covering 5 municipalities

Mr. Radomir Barac

Mr. Cedo Barac

Mr. Savo Smiljanic

Ms. Milena Barac

Ms. Nena Smiljanic

Ms. Milka Malicevic

Ms. Anka Kliska

Ms. Danica Kliska

Ms. Danica Gojic

Mr. Dorde Bjelobaba

Mr. Zivana Rodic

Mr. Jovah Eror

Ms. Zeljka Eror

Mr. Stevo Buzdum

Ms. Bosa Buzdum

Ms. Bosljika Buzdum

Mr. Dragan Tepsic

Ms. Dragan Tepsic

Apatin Municipality

Mr.

Secretary for Santa Community

Apatin - others

Mr. Bojan Popovic

Local visiting refugee friends in Social Housing in a Supportive Environment

Mr. Zoran Cender

Neighbour to refugee families

Ms Branka Tetkov

Local resident

Mr. Tot Imre

Neighbour to refugee families

Montenegro – Podgorica. Refugees, IDPs, RAEs

Ms. Nevrija (Family name not provided)
 Mr. Milovan Jankovic
 Mr. Dorde Kragevic
 Mr. Komnen Zugic
 Ms. Belka Maric
 Ms. Senka Savic
 Ms. Nada Vuckovic
 Ms. Dragica Maljm
 Ms. Milanka Dragovic
 Mr. Racic and family
 Group of trainees at the workshop in Konik Camp

Podgorica - others

Ms. Ceda Lukovic Neighbour to Konik Camp

Montenegro – Berane. Refugees, IDPs, RAEs

Mr. Slobodon Zecevic President of the Board of IDPs, Berane
 Mr. Jasarovic Faruf Deputy President of the Board of IDPs, Berane
 Mr. Rajko Popovic
 Ms. Dobeila Popovic
 Ms. Suezana Popovic
 Ms. Jasmina Nicic
 Mr. Alesksandar Pavlovic

Government

Mr. Dragisa Dabetic Commissioner for Refugees, Republic of Serbia
 Prof. Rajko Korica Deputy Minister, Ministry for Capital Investment, Republic of Serbia
 Dr. Vladimir A. Milic Assistant Minister, Ministry for Capital Investment, Republic of Serbia
 Ms. Gordana Lazarevic Assistant Minister, Ministry of International Economic Relations, Republic of Serbia
 Ms. Sanda Simic Consultant, Ministry of International Economic Relations, Republic of Serbia
 Ms. Sladjana Sredojevic Consultant, Ministry of International Economic Relations, Republic of Serbia
 Ms. Vesna Piperski-Tucakov Deputy Minister, Ministry of Labour, Employment, and Social Policy, Republic of Serbia
 Ms. Irena Cupovic Deputy Minister Assistant, Ministry of Labour, Employment, and Social Policy, Republic of Serbia
 Ms. Marija Vujosevic Advisor to the Minister, Deputy Minister, Ministry of Labour, Employment, and Social Policy, Republic of Serbia
 Ms. Mladenka Miletic Economist, Ministry of Labour, Employment, and Social Policy, Republic of Serbia

Serbia

International NGOs and local Partners/NGOs

Mr. Braco Sasa Dimitrovski	Director, MicroFins
Mr. Zoran Sredojevic	Finance Manager, MicroFins
Mr. Nemanja Vukicevic	MicroFins, Credit Officer, Belgrade
Mr. Predrag Mudresa	Credit Manager, Microfins, Belgrade
Ms. Jasmina Glisovic	Micro Credit Manager, MDF
Mr. Timo Stegelmann	Head of Mission, HELP, Hilfe zur Selbsthilfe
Mr. Enrico Visentin	Head of Mission, Inter SOS
Mr. Hugh Fenton	Representative, Danish Refugee Council
Mr. Steen Norlov	Project Manager, Danish Refugee Council
Mr. Darko Radicanin	Programme Assistant, Community Habitat Finance (CHF)
Mr. Mazen Fawzy	Chief of Party, Mercy Corp
Ms. Ivanka Kostic	Norwegian Refugee Council
Mr. Vitali Vorona	Repr. for the Balkans, Church World Service
Ms. Donna J. Derr	Associate Director, Church World Service
Ms. Vesna Golic	Executive Director, Grupa 484
Mrs. Maca Trakulja	Amity, Zemun Municipality, Belgrade
Mr. Durko Bursac	NGO – Bresa, Mobile Team Member and Psychologist, Centre for Social Work, Apatin Municipality, Vojvodina
Mr. Mensud Krpuljevic	Manager Konik Camp, Montenegro Red Cross

Embassies and Development Agencies and International Financial Institutions

Mr. Thomas Ramsler	Deputy Head of Mission for Humanitarian Affairs, SDC/SECO
Mr. Pierre Maurer	Deputy Country Director, SDC/SECO
Mr. Ernesto Morosin	Head of Housing Office, Belgrade, SDC
Ms. Branislava Zarkovic	Architect, SDR/SDC
Dr. Michael J. Enders	Director, General Development Office, USAID
Ms. Mirjam Krijnen	Head of Development cooperation, Royal Netherlands Embassy
Ms. Jasmina Zoric-Petrovic	Development Programme Section, SIDA
Ms. Svetlana Bascarevic	Development Programme Section, SIDA
Ms. Mary Walsh	Director, Social Development, EAR
Ms. Marina Petrovic	Human Development Operations Officer, World Bank
Mr. Wolfgang Limbert	Programme Coordinator, WBF, GTZ
Mr. Nebosja Matijasevic	Programme Assistant, WBF, GTZ
Mr. Cristian Tabacaru	Sector Manager, Council of Europe Development Bank
Mr. Slobodan Nakarada	Country Programme Manager, SEED – WB / IFC
Mr. David McIlroy	Dep. Head of Mission, British Embassy
Mr. Sinisa Biljman	Programme Manager, British Embassy
Mr. Srdjan Svircev	Programme Officer, CIDA

Mr. Leonidas Papakonstandinidis	Advisor, Embassy of Greece
Mr. Dennis Gaillard	Councillor for Cooperation and Culture, Embassy of France
Ms. Berit Faye Petersen	Resident Representative for S&M, Norwegian Refugee Council

UN Agencies

Mr. Francis M. O'Donnell	Resident Coordinator, United Nations
Ms. Paola Paguani	Programme Officer UNDP
Mr. Gordon W. Biggar	Coordinator, FAO Coordination Office
Mr. Pascal Bernardoni,	Project Manager, RITA, FAO
Mr. Djordje Mojovic	National Director, UN-HABITAT
Mr. Antonio Luzi	Chief Technical Advisor, UNOPS
Mr. Luca De Filicaia	Associate Programme Advisor, UNOPS

UNHCR - Belgrade

Mr. Dario Carminati	Representative
Mr. Vladimir Tsurko	Deputy Representative
Mr. Andrej Mahecic	Public Information Officer
Ms. Isabelle Mihoubi	Senior Protection Officer
Ms. Ljubimka Smiljanic	Protection/Resettlement Assistant – UNV
Mr. Davor Rako	Assistant Resettlement Officer
Mr. Miroslav Medic	Assistant Repatriation Officer
Mr. Jean-Marie Garelli	Return Coordinator / Field Coordinator
Mr. Miroslav Gutesa	Field Assistant
Ms. Violeta Samardzic	Field Assistant
Ms. Ksenija Papazoglu	Field Assistant
Mr. Dragan Milosevic	Food Monitor – UNV
Ms. Olivera Vukotic	Assistant Community Services Officer
Ms. Mirela Mladenov	Community Services Assistant
Ms. Mary-Jane Meierdierks-Popovic	Senior Programme Officer
Mr. M.E. Reza	Programme Officer
Ms. Lora Dimitrijevic	Assistant Programme Officer
Mr. Milos Terzan	Senior Programme Assistant
Mr. Dimitrije Pesic	Logical Support Assistant
Mr. Vladan Djukic	(SDC/UNHCR consultant)

UNHCR - Kraljevo

Mr. Stane Salobir	Head of Field Office
Mr. Nebojsa Covic	Field Assistant
Mr. Rajko Radicevic	Field Assistant
Ms. Mirjana Zdravkovic	Protection Assistant

Ms. Vesna Jankovic Community Services Assistant – UNV

UNHCR - Vojvodina

Mr. Sasa Valadzija Assistant Field Officer

Mr. Robert Lesmajster Field Assistant

Ms. Jadranka Maric Field Assistant

Ms. Aleksandra Kragic Community Services Assistant

UNHCR- Podgorica, Montenegro

Mr. Sajal Gupta Head of Sub-office

Ms. Gordana Popovic Assistant Programme Officer

Mr. Jovica Zaric Senior Field Clerk

UNHCR- Berane, Montenegro

Mr. Nebojsa Babovic Senior Field Clerk

UNHCR - Geneva

Mr. Niels Harild RLSS

Mr. Sajjad Malik RLSS

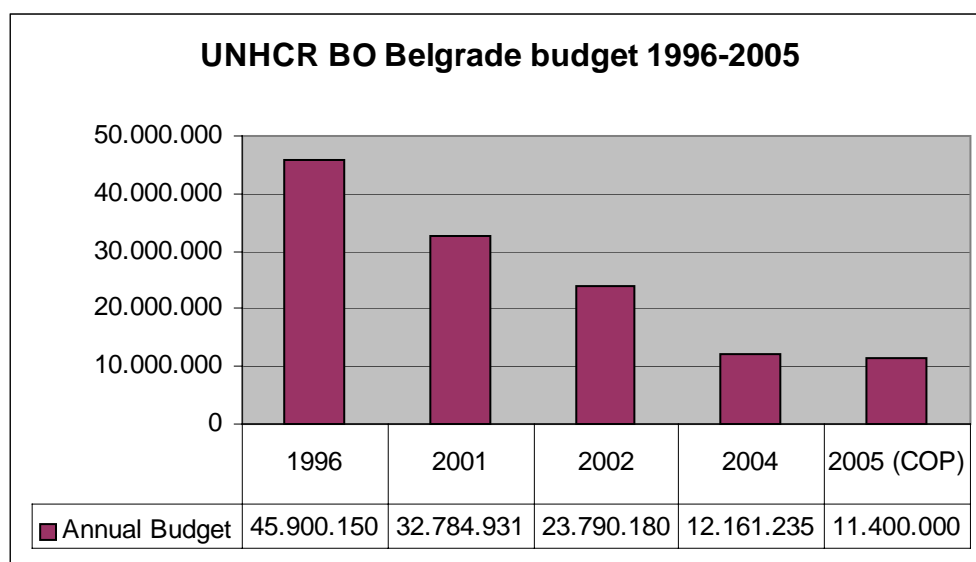
Ms. Myriam Houtart RLSS

Mr. Guido Ambroso Senior Desk Officer S.E. Europe Operations

Mr. Tijan Jallow Consultant, DAR and DLI

UNHCR Budgets from 1996 to 2005

Budgets for UNHCR operations in Serbia and Montenegro



During the same period, the refugee population has reduced by 50% and the IDPs by only 2%.

Housing Programmes

The table below provides an overview of the housing construction funded by UNHCR, and SDC and supported by SDC and NRC.

Dates	Type of Programme	Funder	Cost per unit (USD)	Cost per m ² (USD)	Number of beneficiaries	
					Families	Persons
1997	Full construction of houses	UNHCR	15,500 - 21,700	370 - 500	132	726
1998	Full construction	UNHCR	11,000 – 15,400	270 - 500	138	759
1998	Self-help construction	UNHCR	8,720	281	118	649
1999	Full construction	UNHCR	9,800 – 12,800	270 - 410	50	275
1999	Self-help construction	UNHCR	9,880	320	156	858
2000	Full construction	UNHCR	9,160 – 10,000	255 - 273	92	506
2000	Self-help construction	UNHCR	8,190	265	82	451
2001	Full construction	UNHCR	9,690-10,480	225 - 269	31	171
2001	Semi-self-help construction				24	132
2001	Self-help construction	UNHCR	6,700	197	232	1275
2001	Multi-storey blocks	UNHCR	8,900	248 - 293	41	226
2001	Partial Self-help	UNHCR	2,150	N/A	309	1700
2002	Self-help construction	UNHCR	7,000 ave.	200 ave.	226	1130
2002	Social Housing in Supportive Environment (SHSE)	SDC	11,580 – 12,330	348-370	24	60
2003 ¹⁴	Semi-self-help construction	UNHCR	10,460	283	68	340
2003 ¹⁵	Self-help construction	UNHCR	7,700	226	104	520
2003 ¹⁶	SHSE	SDC	€13,330	€400	96	240
2003	Partial Self-help	UNHCR	2,500 ave.		45	248

Additional support to the Housing Sector

The support listed below is not exhaustive in its coverage, and there will be programmes that may not be included. However the aim is to provide a picture of the variety of support there is for the housing programmes of the governments of Serbia and Montenegro.

In 2001-2002, UNHCR and the Ministry of Social Affairs, Serbia, adopted a model for the conversion of collective centres into homes for the elderly. This led to 150 places for elderly refugees, with

¹⁴ Housing started in 2003 with some only being completed in 2004.

¹⁵ As for 1

¹⁶ As for 1

work on-going for another 100. This was supplemented through conversions by Austrian Hilfswerk leading to a further 125 places and the DRC leading to also 125 places. NRC extended the capacity of homes for the elderly to accommodate refugees leading to 150 places.

The Bundesanstalt Technisches Hilfswerk (TWH), with funding from the German Government, constructed 30 housing units in Vojvodina and provided the infrastructure. Currently they are constructing another 40 housing units in Nis, and 40 in Krusevac.

Arbeiter-Samariter-Bund, with funding from the German Government, has constructed houses of 4 flats each. They have been allocated to 54 refugee families, and 10 local vulnerable families. They constructed a further 24 housing units in 2003.

CHF International assisted three municipalities (Medvedja, Babusnica and Dinji Milanovac) with infrastructure necessary for the completion of refugee housing schemes, with a total cost of USD 640,000.

In the period 2001-2002, the German Government and ECHO funded building materials for 800 families to completed housing that they had started building.

ECHO funded NRC in 2001/2002 to assist some 730 refugees in Vojvodina with construction materials for completing already started construction.

In 2003, ECHO funded six partners in Serbia to implement a partial self-help housing programme. Based on the UNHCR approach. The 6 partners were Movimodo, CARE, IRC, Intersos, COOPI, and DRC. Together they assisted some 900 families with building materials to finish construction of their houses or to improve houses in a poor condition. NRC has assisted a further 200 refugees in 2003, and continues in 2004 with funding from the Ministry of Foreign Affairs in Norway.

In 2003, UNDP has assisted some 30 refugees with social housing in a supportive environment.

In Bac municipality, the municipality arranged for refugees to purchase abandoned houses through commercial bank loans.

Grants, Soft Loans and Micro-credit

UNHCR Self-Reliance/Income Generation Programme in Serbia and Montenegro¹⁷

UNHCR Self-Reliance Programme is divided into three main activities: non-commercial micro loans, soft loans and vocational training. Vocational training is dealt with in the main report as a separate subject and is not included in this annex.

The Loan Programme in Serbia is currently implemented through two local Implementing Partners (IPs) Micro Development Fund (MDF) -a spin off from DRC- and Microfins –a spin off from Oxfam. While DRC continues covering Central and South Serbia, Microfins is expanding its activities into Vojvodina as they have taken over the IRC's portfolio and staff as of January 2004. So far UNHCR's IPs have distributed over 13,000 loans to micro businesses in Serbia. Last year alone they have distributed over 3,730 loans creating and sustaining almost 5,660 jobs. The existing Revolving Fund's total net worth has reached the amount of approximately US\$ 4 million at the end of last year. Since April 2003, the IPs are allowed to disburse loans to IDPs up to the amount of 25% of the active portfolio. Delinquency rates and write-offs remained at less than 5% while the repayment rate was 95.22%. The UNHCR is phasing out from the programme and handing it over to local structures during 2004. The funds available from UNHCR are for Refugees and IDPs only and do not include the vulnerable local population. In the case of Microfins, other sources of funds have been used in parallel with the UNHCR funds, to make loans available for the local population.

Outlines of the various elements of the programme and the progress made, are provided below.

Soft loans

- UNHCR had been distributing "soft loans" in NY Dinars (no interest charged) to refugees only from 1996 till the end of 2000
- In this period UNHCR invested USD 6 million only in capital for its 7 partners (netted out of operational costs).
- At the end of this period, due to periods of dramatic inflation and non-repayment, only 2 USD million were accounted for by IPs and large part of the portfolio at risk (with little or no chance ever to be repaid).¹⁸
- It should be noted however that the recovery of soft loans in Montenegro was well over 90%, which raises questions about the approaches used in different regions.

UNHCR Micro credit programme

- In 2001, UNHCR shifted to interest bearing loans – non depository/credit only micro-finance programme to protect the revolving fund and create possibilities for exit strategy. Only 4 IPs were selected to continue with implementation: Alter Modus in Montenegro; IRC, DRC and Oxfam in Serbia.
- In Montenegro, the legal framework for operation of MFIs was finally created by the amendments of the Law on the Central Bank of Montenegro, which provided for registration and supervision of MFIs (end of 2002).

¹⁷ Background taken from UNHCR documentation

¹⁸ In some cases soft loans were given to socially needy cases, where from the outset there was little intention of recovering the loan, and therefore the funds were being used to plug gaps in grant humanitarian assistance.

- UNHCR phased out its loan programme in Montenegro by handing over the portfolio to the former partner Alter Modus in January 2003. Additional support had been received from NOVIB, Netherlands, EBRD, Caritas Luxemburg, and USDA, and the Alter Modus is in a position to offer loans to the entire population not just refugees and IDPs..
- From 1999 to date, Alter Modus has disbursed 2,342 loans, 1,091 of which are to first time borrowers and 1,251 to repeat borrowers.
- In Serbia, in early 2003 a shift from International IPs to their local spin offs started. Mikrofin emerged from Oxfam and signed their first direct Sub-Agreement with UNCHR.
- In mid 2003, IRC informed UNHCR that they were pulling out of the micro-finance programmes globally and were about to close their office by the end of 2003. As a consequence UNCHR had to hand over IRC's portfolio to another partner. Local partner MicroFinS was selected and they took over IRC's portfolio and (part of the) staff as of January 2004.
- By the end of 2003, Micro Development Fund (MDF) emerged from the Danish Refugee Council (DRC) as the result of the UNHCR shift towards local partnerships. MDF signed their first direct Sub-Agreement with UNHCR in 2004.
- In 2004, UNHCR is implementing the micro-finance credit programme through 2 remaining local implementing partners in Serbia (Micro Development Fund and MicroFinS) who are disbursing loans from a USD 4 million (loans are disbursed in local currency) Revolving Fund.
- In order to provide for a responsible phase down from its income generation activities (micro credit programme) UNHCR in Serbia will need to make sure that the local structures that would be left behind will be well established, self sustainable and well managed. To this end, a consultant has been engaged to work with MDF and Mikrofin, to ensure that secure and sustainable management is in place.

Other Grant and Credit Programmes

The efforts of UNHCR in terms of grants and loans is not taking place in isolation but is part of a series of programmes and projects aimed at improving the income generating capacity of refugees, IDPs and vulnerable nationals. There follows a brief description of some of the on-going activities. Not all activities in this area are covered below, but it is hoped that the following will provide an insight into the type of complementary programmes that are being implemented. It should also be noted that most organisations have wider programmes of support, and only the elements relating to grants and loans have been extracted.

HELP (Hilfe zur Selbsthilfe)

HELP has been operating several income generating programmes since 2001, the current programme is supported by SDC, the British Embassy, the Stability Pact and Deutsche Humanitäre Hilfe. Their focus for 2004 is to continue support for SMEs and to target vulnerable refugees, IDPs, and the local population, with emphasis on redundant workers, female activities and the Roma population. The package for SMEs includes in-kind grants or micro-credit, training and expert coaching. In 2003, 613 beneficiaries were assisted 44% refugees, 29% IDPs and 27% local residents. In 2003, 37% of the beneficiaries were women. The project operates in 10 municipalities in South Serbia and Vojvodina. Where grants are awarded, part of the agreement is for a social payback in terms of a minimum of 10 hours voluntary work within the municipality. This is often targeted at schools, kinder-gardens, hospitals and social institutions. HELP anticipates that funding from a variety of partners will allow their activities to continue throughout 2005 and beyond.

USAID through 5 partner international NGOs:- ACDI/VOCA, ADF, CHF, IRD, MCI.

The framework for the implementation through the five partners is similar, but each has the freedom to choose their own approach. Below are examples of two such approaches.

In 2003, CHF together with its local partners delivered 100 Greenhouses including drop feed water supply systems in Peinjski county. The local NGO "Life Aid" provided the technical assistance on their operation. In addition under the Community Revitalisation through Democratic Action (CRDA)

they are making kick-start grants available up to USD 500, and provide support services and grants to viable business ideas.

At present Mercy Corp are also implementing CRDA in 18 municipalities in South Serbia. They are targeting refugees and IDPs through direct programmes and as a 5% proportion of general programmes. The main assistance to refugees and IDPs is focused on two municipalities selected based on the size of their refugee and IDP populations, total unemployment (> 60%), and opportunities to cooperate with the local authorities. The average grant had a value of US\$ 3,000, and in 2003, 90% were awarded to IDPs. In 2003 a total of 65 families directly benefited.

List of main reference documents

The following is a list of the main documents accessed. They were supplemented by a variety of reports, project documents, and information taken from the web.

Serbia on the Move – Three years later, Government of the Republic of Serbia, 2003

Poverty Reduction Strategy Paper for Serbia, Government of the Republic of Serbia, 2003

Draft Poverty Reduction Strategy Paper for Montenegro, Government of the Republic of Montenegro, 2003

National Strategy for Resolving Problems of Refugees – Implementation Programme, Government of the Republic of Serbia – committee for the National Strategy Development, 2002

United Nations Development Assistance Framework (UNDAF), 2004

Framework for Durable Solutions for Refugees and Persons of Concern, Core Group on Durable Solutions, UNHCR Geneva, 2003

Country Operation Plan for 2004, UNHCR – Belgrade

Country Operation Plan for 2005, UNHCR – Belgrade