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SUMMARY OF FINDINGS AND RECOMMENDATIONS

BOSNIA RECONSTRUCTION ASSESSMENT

Robert Gersony
Cynthia Gersony

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Douglas Stafford, Assistant Administrator
Bureau for Humanitarian Response
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SUMMARY OF FINDINGS AND RECOMMENDATIONS BOSNIA RECONSTRUCTION ASSESSMENT

BACKGROUND

In October 1995, prior to the execution of the Dayton Accords, the Administrator of the U S Agency for International Development (USAID), Mr Brian Atwood, engaged the authors to conduct a rapid, field-based operations-oriented assessment of prospects for USAID assistance for Bosnia reconstruction. The objective was to recommend reconstruction policies, specific projects and implementation mechanisms, particularly for calendar year 1996. The team was asked to focus on the prospects for

- the return home of displaced and refugee families,
- programs involving locally-applied conditionality aimed at facilitating inter-ethnic reconciliation, the strengthening of the Croat/Muslim Federation and, ultimately, cross-ethnic returns, and to
- design a quick impact, high-visibility program for the repair of small infrastructure -- particularly one which would generate cash jobs for demobilized combatants, demonstrate the fruits of peace and thereby help to stabilize the post-war environment

The subject of the assessment was the geographic area which comprises the Croat/Muslim Federation of Bosnia

The authors conducted the assessment during November 1995/January 1996. They briefed the Administrator and his senior advisors on the results on February 10, 1996. Their findings and recommendations were then discussed and scrutinized by USAID/Washington, the USAID Mission in Sarajevo, and the Department of State. Upon approval of their recommendations, the authors were dispatched to Bosnia for one month during March/April 1996 to assist in the start-up of the approved program. Following a brief final period of consultations in Washington, this activity was concluded at the end of April.

PURPOSE OF REPORT

The main purpose of this report is to provide a brief account of the activities undertaken by the authors in connection with the objectives described above. It summarizes the assessment's conclusions and recommendations and the follow-up actions in which they were involved. This assignment was intended principally as a pro-active technical assistance mission. It focused for its outcome on operational results -- implementation during 1996 of an emergency reconstruction program. This report itself, for which minimum time was allotted, is intended to serve as a brief record of the team's activities and as a general -- and by no means comprehensive or complete -- summary or discussion of the team's conclusions.

ASSESSMENT PROCEDURES

Research for this assignment began with consultations with officials of USAID and the Department of State in Washington, of the United Nations High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC) and the United States Mission in Geneva, and of the European Union and United States Mission in Brussels

During November 1995/January 1996, in a period of about eleven weeks, the authors visited approximately 70 towns and villages in the Federation, including about half of its municipalities, focusing on areas outside Sarajevo. Included in this period was an initial visit to Zagreb and interviews with Bosnian refugees residing on the Dalmatian Coast of Croatia. The initial assessment period included consultations with about four hundred individuals and families, as follows

-- about 150 Croat and Muslim primarily displaced and refugee families, but also including some recent returnees and a small number of families who had remained in their homes throughout the conflict. These discussions, usually of one-hour's duration, were most often held with each family individually, in the presence of a translator who was almost always of the same ethnic group as the interviewees. About two-thirds of the families were consulted in the apartments and private houses they were temporarily occupying, and one-third were met in collective centers

-- about 250 officials of organizations which had implemented assistance and protection activities in Bosnia during the war. Usually such meetings were conducted with one or two such officials at a time and had a duration of several hours. Two or more meetings were held with about 25 individuals in this group. Those consulted were local, regional, republic and Federation officials, and experienced national and international staff of multilateral, donor, religious and non-governmental organizations

ASSESSMENT FOLLOW-UP

The conclusions and recommendations of the assessment were briefed to and discussed with the USAID Administrator and his senior advisors on February 10. During the following month, at the Administrator's request, approximately 18 additional briefings were provided to 80 persons, principally officials of USAID and the Department of State. The team participated in dozens of additional meetings to discuss its recommendations

On March 8, the team traveled to Bosnia for about one month to assist in implementation of the approved program, which was known as the USAID/DART Emergency Shelter Repair Program (ESRP) In this connection, the team

- participated in 33 meetings with 77 members of the U S Embassy, USAID Mission, USAID/DART team, non-governmental organizations and municipal officials,
- visited approximately 60 rural villages to assist the DART team in approving villages proposed by grantees for inclusion in the program,
- assisted in the preparation of terms of reference and project descriptions, and
- en route from Bosnia to the United States, consulted and coordinated in Geneva with senior officials of the UNHCR, the Property Commission for Bosnia (established under the Dayton Accords), the International Organization for Migration (IOM) and the United States Mission

Upon return from Bosnia, the team provided four briefings and participated in discussions in Washington with the USAID Administrator and his senior advisors, and joined in twelve additional meetings concerning the progress of the ESRP

SUMMARY OF PRINCIPAL FINDINGS AND RECOMMENDATIONS

WITH RESPECT TO THE RETURN OF DISPLACED AND REFUGEE FAMILIES

"Same-ethnic" Croat and Muslim displaced families within the Federation

There remains a large number of displaced families who reside within the Federation in areas **which fall under the security control of the military forces of their own "majority" ethnic group** This includes Muslim displaced families whose pre-war homes are in areas currently under BiH control, and Croat displaced families whose pre-war homes are in areas currently under HVO control In this report, such families are called "same-ethnic" displaced families

Before the conflict, most of these families lived in privately-owned, single-family homes in rural villages While some of their members held cash-paying jobs in towns, at least a part of their income was derived from farming and livestock activities which could be reactivated in the near future Today these families reside in the town centers of their home municipalities or in neighboring towns and cities They occupy apartments and homes which before the war were the residences of other families who, in turn, are displaced elsewhere in the region or are refugees abroad

The authors ultimately visited more than eighty villages which before the war were home to thousands of such "same-ethnic" families and found their homes to be largely uninhabitable

-- In most largely-destroyed villages, the houses had been systematically destroyed through purposeful burning by the forces of other ethnic groups. Other villages were destroyed through persistent artillery shelling. While some -- usually a small number -- of the houses were reduced to rubble, the foundation and walls of the majority of such homes appeared to be structurally sound. But the roof, windows and doors are missing, and the interiors were completely destroyed by fire and exposure to the elements during several winters. Some houses received only minor or moderate damage.

-- Water, electrical, and others utilities, and schools, health clinics and other public infrastructure also had been damaged to varying degrees.

The "same-ethnic" families with whom the authors met reported that security conditions were not an obstacle to their return to their homes. They required no official authorization to return home and were free -- and encouraged -- to do so as soon as possible. Almost all of these would be returning to their own private property in villages, and in the process would abandon the property of others which they are now occupying.

The great majority of the "same-ethnic" displaced families indicated a desire and a plan to return to their own homes and farms as quickly as possible. To return to villages which are completely uninhabited, they would prefer to make such returns as part of a group of neighbors -- not to live alone in isolated locations. They described the chief obstacle to accomplishing their plan as the lack of adequate shelter, which they urged should be the first priority of their government and of donor organizations.

Assistance to the "same-ethnic" displaced families was also the primary concern of Bosnian local, regional, republic and Federation officials. The overwhelming majority of officials of various political backgrounds, with different views about the Federation's prospects, including proponents and opponents of eventual "cross-ethnic" returns, concurred that assisting the "same-ethnic" families was an urgent and over-riding priority. This view was shared by a similar proportion of others interviewed in connection with the assessment.

-- "Cross-ethnic" Croat and Muslim displaced families within the Federation

A significant number of families remain displaced within the Federation and cannot return home because of their ethnicity. Muslim families who cannot return to their homes in HVO (Croat)-controlled areas remain as displaced persons within BiH (Muslim)-controlled areas. Croats who cannot return to their homes in BiH-controlled areas remain as displaced persons within HVO-controlled areas. The return of such "minority" Muslim and Croat ethnic families within the Federation to "majority" areas controlled by the military of the other ethnic group is referred to in this report as "cross-ethnic" return.

In the view of the assessment team, conditions within the Federation do not appear propitious for significant cross-ethnic returns during 1996, as a result of five factors

-- Cross-ethnic returns are, in general, not permitted or encouraged by the authorities of either side

Not all local, regional, republic and Federation officials oppose cross-ethnic returns and, whatever their views, the policies they express in public vary. Some categorically oppose cross-ethnic returns in the short- and long-term and believe that the two principal ethnic communities should live "peacefully but separately" (each within its own area of majority control) within the Federation. Others oppose cross-ethnic returns in the short-term as "premature," but favor eventual reintegration. A small number advocate that such returns should be made effective immediately. Almost all believe that such returns must be planned carefully in advance and must be reciprocal.

Whatever the public articulation of their official views, despite the provisions of the Dayton Accords, and with some numerically insignificant exceptions, cross-ethnic displaced families on the ground are neither authorized nor encouraged to return home at this time. In a number of areas, even momentary visits to their destroyed homes were, at the time of the assessment, prohibited to the cross-ethnic displaced. Violators are subject to physical expulsion by local police. In the wake of the ethnic violence which has riven this previously multi-ethnic society, displaced families hesitate to effect cross-ethnic returns under existing conditions.

-- Local security arrangements are inadequate to support cross-ethnic returns

Displaced families expressed considerable regard for the NATO forces which currently guarantee the separation of the former parties to the conflict and enforce exchanges of territory prescribed by the Dayton Accords. Most believe that NATO forces are effectively helping to create the macro-security conditions upon which further progress depends. However, displaced families assert that NATO forces cannot function as local police to assure law and order at the village level.

Temporary international police participation in mixed Croat/Muslim police patrols was just beginning at the time of the assessment. The Muslim population, recalling the massacre of thousands of Muslims in internationally-protected areas in Eastern Bosnia just six months earlier, were not yet prepared to place their confidence in international assurances for their safety at the local level.

Moreover, most of the displaced families believe that only the re-establishment of an ethnically mixed local Bosnian police force in each municipality would signal that security conditions required to protect returning minorities are adequate. Many indicated that such forces would be a pre-condition for their return. Such forces do not exist at present.

The concern of the displaced families is their personal safety and particularly the safety of their children. Without a mixed local police force, many believe that they would not have effective avenues for complaints about the violation of their rights which they anticipate. To whom, they ask, can they bring complaints of harassment, intimidation, assault, armed robbery and other problems which they believe are likely to occur? Residents of out-lying villages particularly fear for their security at night. Absent mixed local police, "To whom can I complain if my child is threatened as she walks to school?" asks a worried father.

Even if most of the majority population of a municipality accepts cross-ethnic return of minorities, displaced families fear the actions of armed "extremists." Almost all men in economically-active ages were mobilized on both the Croat and Muslim sides of the conflict. Many have been demobilized -- but not necessarily disarmed.

The assessment provided an opportunity for discussions with a small number of minority ethnic members who because of age, sickness, special relationships or stubbornness remained under majority-ethnic security control throughout the war or who returned home within the last year. These families indicate that since the signing of the Dayton Accords, security in their home towns has generally improved. Nonetheless, in a few municipalities, they asserted at the time of the assessment that harassment, intimidation and armed robbery of minorities by known majority individuals and groups continues with impunity.

-- Economic prospects for minorities in majority areas are dim

Even for the majority population in areas of their own ethnic control, job prospects are dim. Many industries and businesses upon which wage earners depended before the conflict are closed or operating at minimum levels. The prospects for economic recovery during 1996 are limited. Competition for existing jobs among the ethnic majority group is keen and heightened by the increasing number of demobilized combatants.

Potential cross-ethnic returnees believe they would have limited success competing with demobilized combatants and others of the majority ethnic group for these scarce jobs. Thus, especially for those who depended on cash wages before the war, economic prospects for the coming years are dim. Even if they could return home, how would they support their families?

Minority -- especially Muslim -- businesses may continue to be subjected to discriminatory customs taxes imposed by the majority. Financial police within some areas of the Federation may abuse their authority to levy taxes which force minority businesses out of majority areas. An experienced multilateral organization economist described the various dimensions of economic discrimination he has observed as a "natural tendency [by the majorities] to complete ethnic cleansing through non-violent means."

-- Potential social problems discourage cross-ethnic returns

Some potential cross-ethnic returnees indicated that their own property, or apartments in which they have residency rights, are occupied by displaced families of the majority group. In municipalities where brief "observation" visits are permitted, some of the displaced have attempted to verify the condition of their homes. However, the occupants of their homes have refused them access. In other cases, the cross-ethnic displaced know that their homes are largely destroyed. Thus, even if they were permitted to return and were prepared to do so, they would face the same need for shelter and infrastructure as the "same-ethnic" displaced.

Cross-ethnic displaced parents with school-age children face the additional dilemma of whether to send their children to majority schools. Many expressed concern about exposing their children to the anti-minority religious and nationalistic indoctrination which they allege is actively conveyed through the "majority" schools on both sides.

-- Ethnic hatred which could provoke violence against minorities discourages returns

Some families seem genuinely ready to reconcile with neighbors of the other ethnic group. However, historical and current religious and ethnic fear, bigotry and hatred as well as bitterness on both sides about their perceived betrayal by the other are pervasive within the Federation and particularly acute on the Croat side. In such an environment, violence against returning minorities, unless such returns were carefully planned and coordinated, seems probable.

Saga of the 600 Families

During the Dayton negotiations, on November 2, 1995, the Federation partners agreed on a pilot project for the cross-ethnic return of 600 Croat and Muslim families to four of the most polarized municipalities: Bugojno and Travnik on the BiH-controlled side, and Jajce and Stolac on the HVO-controlled side. This symbolic exchange of displaced families was to be completed by November 12, 1995.

It is difficult to assess exactly how many families have returned to the four target municipalities. But it appears at this writing -- nearly six months after the deadline date -- that of the symbolic 600 families, only about half have been permitted to make a cross-ethnic return, mainly to Travnik and Jajce. This sub-symbolic result has been achieved despite specific agreements at Dayton covering these cases and the sustained pressure from the international community through the UNHCR.

Based on the above, it was concluded that cross-ethnic returns between Muslims and Croats within the Federation is not a development which can be depended upon during 1996.

-- Cross-ethnic returns between the Federation and the Republic of Srpska

The team did not have the mandate or the opportunity to visit the Republic of Srpska, or to interview displaced Serb families.

With respect to Serbs residing in Federation-controlled areas, in its February briefings in Washington, the team asserted that, rather than anticipating potential cross-ethnic return of Serbs to Federation areas, it appeared that substantial expatriation of Serbs from Federation territory to the Republic of Srpska (RS) was likely to occur. During the following months, as Federation authorities assumed control of the suburbs of Sarajevo, ethnic separation accelerated, as most Serbs from these areas departed for the RS.

Reports from reliable international military and civilian observers suggested that well into 1996, Serb forces continued to burn villages prior to effecting evacuations mandated by the Dayton Accords [Similar conduct was attributed to HVO (Croat) forces evacuating areas to be turned over to RS authorities]

The attitude of Muslims displaced from northern (Banja Luka) and especially eastern Bosnia was bitter and suggested that the return of Muslims to such areas is a virtual impossibility for 1996

The reconciliatory attitude of the authorities of Tuzla City toward the return of Serbs to that region holds the promise of future movement toward reconciliation. Nonetheless, given the attitude of the public, the concentration of displaced families in Tuzla City who are residing in the pre-war homes of potential Serb returnees, and the requirement for reciprocity for cross-ethnic returns, it appears that this promising policy may not be translated into concrete return results during 1996

The absence of reciprocal cross-ethnic returns leaves the authorities of the BiH-controlled areas of the Federation with the burden of identifying shelter (and economic) solutions for over 250,000 Muslims displaced from the RS who, with considerable justification, cannot consider returning home at present. The authorities are left with no realistic option except to temporarily settle these families in the homes of Serbs who, for similar reasons, cannot return to Federation areas. Temporary assignment of empty Serb homes and apartments is contemplated under the Dayton Accords and has been proceeding on the ground for some time

Return of Displaced and Refugee Families General Conclusions

-- The return of "same ethnic" displaced families to the homes which they own in rural villages is a top priority which should be assisted by the donor community during 1996. It is an indispensable first step toward normalization and reconstruction of Bosnian society. It does not, alone, guarantee whether or when eventual reconciliation and cross-ethnic returns may take place. But it seems certain that these will not occur before this first step is taken. Emergency shelter repair, and the immediate rehabilitation of minimum infrastructure and utilities in such villages, are feasible and should be supported immediately. Specific recommendations for the provision of such assistance are described later in this report.

-- With few exceptions, conditions for cross-ethnic returns, both within the Federation and between the Federation and the RS, are not adequate at present. Significant numbers of cross-ethnic returns in 1996 appear unlikely. In most cases, such returns must be agreed upon by appropriate authorities and carefully planned before they are undertaken. The timing of such returns, not their desirability, is at issue. Pre-mature returns, and population movements which are not properly planned and coordinated, may provoke (and already have provoked) incidents of cross-ethnic violence which undermine the peace process.

WITH RESPECT TO LOCALLY APPLIED CONDITIONALITY, RECONCILIATION AND FEDERATION BUILDING

The team reviewed a variety of donor-financed programs aimed at facilitating reconciliation, the building of Federation institutions, and, ultimately, at promotion of cross-ethnic returns within the Federation. Its conclusions are briefly summarized here. The projects reviewed included efforts by the European Union Administration of Mostar (EUAM), several dozen pilot projects financed by USAID's Office of Transition Initiatives (OTI), and a number of others financed by the USAID Mission in the region.

In an effort to promote reconciliation, including cross-ethnic returns, these donors have implemented programs of local conditionality. These have often taken the form of a pro-active approach applied at the municipal level aimed at inducing changes in municipal policy concerning these matters. The programs offer "rewards" in the form of financial assistance for municipal projects in exchange for what the donor views as timely and progressive change in local policies. Sometimes these projects adopt the strategy of supporting indigenous organizations whose principal purpose is to advocate for reconciliation.

Several of the latter activities appeared to offer the promise of future success. OTI's modest assistance to indigenous organizations such as Radio Kameleon, the Serb Consultative Council and the Citizens Forum organization, all in Tuzla town, provided useful, timely, well-thought-out and rapidly delivered support at early stages in their development.

Another successful OTI-financed activity, implemented by the International Rescue Committee (IRC) in the Kiseljak area "buffer zone," provided one of the few concrete examples of donor-supported cross-ethnic return activities which was fully implemented by local authorities.

Nonetheless, most USAID-financed projects which used local application of conditionality to advance reconciliation, Federation building and eventual cross-ethnic return did not appear to reach their desired goals. Among the problems with this approach

-- The timing of such activities appeared premature

-- The nature of the policy changes required by the donor could not be made by local authorities. Instead, only officials at the highest central level of government could originate and mandate such changes

-- The focus of such efforts were often the most politically sensitive and intractable issues in the municipality, rather than the priorities of local officials. Some officials refused to participate in such efforts or channeled them into insignificant activities. Others agreed to comply with the USAID-imposed conditions, however, once the municipal project was completed, they lacked the will or the authority to adhere to these commitments

-- The neutrality and in some cases aspects of the security of non-governmental organizations which had been chosen by USAID to implement the locally-applied conditionality programs, were compromised by their participation in them. Such organizations were not viewed by local authorities as appropriate interlocutors for what they viewed as sensitive political interventions. Not all staff associated with these programs were prepared by skill, experience or inclination to undertake such efforts

Some of the pilot mechanisms which were tried to promote reconciliation, Federation-building and cross-ethnic return were more successful than others. The policy of promoting these positive developments remains a sound and useful one which should be maintained. The team urged USAID to adhere to its goals of facilitating reconciliation and strengthening the Federation and to reconsider its experience in the pilot stage and to pursue mechanisms which promised the most concrete future results. Such a review was promptly and ably carried out and new initiatives are underway

WITH RESPECT TO SMALL INFRASTRUCTURE AND EMPLOYMENT ACTIVITIES

The overwhelming majority of the 400 families and individuals interviewed in the course of the initial assessment indicated that the repair of private homes in largely-destroyed agricultural villages was the top priority in infrastructure repair which local governments and donors should pursue. The return of "same-ethnic" displaced families -- those who could return **to their own private property** immediately -- was their over-riding concern. Advocates for this approach argued that most village residents could initiate some type of farming or livestock activity which would permit them to reactivate at least a part of their incomes. In returning from the towns to their own property in largely-destroyed villages, most of the families would be **abandoning the property of others which they had been occupying during the conflict**. Thus, the domino pattern of displacement would begin to be reversed.

The great majority of those consulted believed that returning displaced families to their own homes in rural villages would help to open up physical space in towns, which would, in turn, facilitate additional returns. Advocates of cross-ethnic returns asserted that while such assistance would not guarantee this outcome, it is an indispensable first step toward this goal. Assisting families to return to their own property in their own home villages would neither undermine eventual cross-ethnic return nor validate ethnic cleansing, they asserted. Without such assistance (and the construction jobs it would generate), on the other hand, prospects for reconciliation and eventual cross-ethnic return would be diminished. Such assistance would also lay the groundwork for similar assistance to returning minority families, should this occur at a later time.

International officials directly involved in the negotiation of cross-ethnic returns suggested that assistance to same-ethnic returns would open up physical space in towns and thereby open up political space in which the negotiators' work would be facilitated. The foregoing views, which are only summarized here, were also widely expressed by municipal, cantonal, republic and senior Federation officials, including senior Muslim and Croat Federation officials responsible for displaced and refugee policy and for the housing and infrastructure sectors. [Before approval of the recommended program, this issue was usefully subjected to thorough and extensive discussion in a series of meetings with USAID officers experienced in Bosnia policy and committed to the reconstruction through democratic means of its multi-ethnic society.]

The team recommended support for same-ethnic returns. It also recommended that where concrete replicable examples of assistance programs for cross-ethnic returns presented themselves, that they too should be considered for support. [For example, building on the success of the OTI/IRC cross-ethnic return project in Kiseljak, IRC proposed and received a grant under the USAID ESRP for repair of an additional 100 Croat and Muslim homes in ethnically mixed neighborhoods.]

The team recommended to USAID an Emergency Shelter Repair Program which would have as its objective initiating and accelerating the return of displaced families from their temporary places of refuge in towns to their own homes in badly destroyed villages, as discussed above. The recommended program would have the following characteristics:

-- The program would be funded at a level of US\$25 million, with costs shared jointly by the BHR and ENI bureaus. This would permit the repair of approximately 2,500 privately-owned homes and a small number of village schools. These homes would be distributed in roughly 50 of the most heavily damaged Muslim and Croat villages within the Federation, at a rate of about 50 home repairs per village. This number of homes could generate a sufficient "critical mass" of returnees to make such returns viable or would strengthen the rate of return to each assisted village.

-- The program (which was approved in March 1996) was to begin in April and to the extent possible be concluded by the end of the building season (October/November) of the same year. [Viability of the program was conditioned on availability of funds by February 28, funds actually became available in early April. To provide for the unusually tight schedule and for unforeseen problems, the recommended terms of reference indicated that work not completed in 1996 could be completed in 1997.]

-- The program would be implemented by a select group of private non-governmental organizations (NGO's). The team believed that the NGOs active in Bosnia possessed the absorptive capacity to manage assistance to up to 2,500 families in about 50 villages. Several NGOs had worked in the heavily damaged areas of the Federation throughout the conflict and possessed demonstrated geographic, management and construction expertise -- including in previous shelter repair activities. A significant number of NGOs had extensive experience in cooperative undertakings with local authorities, and already knew some of the displaced families because they assisted them during the war with social outreach and relief programs.

The NGOs' extensive personnel rosters include an impressive group of experienced Bosnian engineers, social workers and others whose participation in a program such as the one proposed would be essential. The level of integrity and accountability required for the program already existed in the NGO operations. Finally, these NGOs were already, at that time, part of an effective, well-developed coordination network in the field which could help to insure that USAID's resources complemented and were complemented by the efforts of others.

The program was to be undertaken as an emergency effort. The short time period allowed for execution of the work did not permit the establishment of new or unproven implementing mechanisms. The NGOs were recommended because they offered the best available implementing mechanism.

-- The program would repair only heavily damaged homes. To be eligible for assistance, a home must have a structurally sound foundation and walls, but must be without a functional roof, windows and doors. It was recommended that the program address only heavily damaged houses because these are the most characteristic of the heavily-damaged villages, the origin of most displaced families who cannot, without assistance, return home. Moreover, in late January 1996, UNHCR officials in the field indicated that it would implement a materials distribution/self-help package which would be especially applicable to houses which were less damaged. Thus, it appeared that the two programs could effectively complement each other.

-- The entire labor component of the shelter repairs would be implemented through existing small, local Bosnian contractors. This method was recommended after a review of a dozen different shelter and other construction repair programs which involved the use of such contractors, or alternatively self-help efforts, and/or a combination of both methods. According to dozens of engineers and others who were consulted, contractors offered quicker implementation and greater control and more efficient use of materials. This method would be especially helpful to assist female-headed households and other more vulnerable families and would in some small measure encourage the development of small private sector businesses.

During the initial briefings in February, the team asserted that at least 1,000 short-term cash-paying jobs would be created through the contractors. [Once implementation began, participating NGOs asserted that the program would create more than 2,000 and as many as 10,000 such jobs, when direct on-site and off-site labor and employment generated through materials production within the Federation were factored in. The authors believe that more than 2,000 jobs will be generated.] Such employment is seen as useful to facilitating a smooth transition of demobilized combatants from military to civilian life, and therefore supportive of the maintenance of the peace and stability which the Dayton Accords and the U.S. and other IFOR military presences attempt to promote.

-- Alternative Self-Help Approach. A materials distribution/self-help approach to the repair program was also considered. This is also a valid and useful approach in a country which faces an enormous reconstruction challenge with such limited resources. Under such an approach, construction materials would be distributed to each family, which would be responsible for the labor, technical assistance and management required for their home repairs. This approach shifts much of the economic burden and management responsibility from the donor/implementer to the individual family. By not financing the labor component, a donor's funds can assist more families.

Before the conflict, many village families planned -- and often participated directly to some degree -- in the construction of their own homes. The family planned the building and often acted as its own "general contractor," in most cases hiring and paying specialized labor as required. Most often, about three to five years were required to complete each house. In current circumstances, the savings of such families are exhausted. They are not in a position to hire the labor they need to quickly complete their shelter repairs. Experience in previous self-help programs indicated that completion of the intended repairs was slower than those which used contractors, in part for this reason. Moreover, some families receiving self-help materials were forced to sell or use part of the materials to finance the labor component. Thus, the habitat objective of the donor was not fully achieved, and a part of the considerable time, cost and effort to procure and transport materials was wasted.

It appeared that for houses requiring minor and moderate repairs, a self-help approach might be well-suited. But for the major repairs to be undertaken by the USAID-financed effort -- taking into account the short time period allowed for implementation and the benefits of the cash jobs generated by contractors -- the use of contractors was deemed, on balance, more appropriate and desirable.

-- Shelter repairs would be minimum in nature. They would mainly weather-seal the structure and include two plastered interior rooms with wood-insulated floors to make them habitable during the winter. Responsibility for repair of the balance of the structure remained with the beneficiary family.

-- The program would repair only privately-owned single-family homes where the displaced family could demonstrate pre-1991 ownership. The purpose of this requirement was to insure that the program did not participate in or validate ethnic cleansing. Under the USAID program, houses in their home villages would be repaired only for their legitimate pre-war owners.

-- The team recommended that a tri-partite agreement signed by the municipality, the respective implementing NGO and each individual beneficiary family govern the work to be undertaken. This document would serve as a legal vehicle to verify property ownership and to commit the beneficiary family to return to the repaired home within sixty days of its completion. Under the agreement, in case the beneficiary family were not to comply with this commitment, the beneficiary authorizes the municipality to assign the repaired home to another displaced family in need of shelter.

-- The team recommended that within USAID this program be managed directly by the BHR Bureau through OFDA/Washington and the USAID/DART team in Bosnia. These elements of USAID had been operational in Bosnia, in cooperation with an extensive network of NGOs, throughout the conflict. The DART team represented the most operational and experienced unit of USAID present in Bosnia at that time. Its solid and well-known track-record, its reputation for leadership, and its experience with management of such activities made it the natural choice for this additional responsibility. The Bureau for Humanitarian Response, OFDA and the DART team had already recognized that activities which offered sound, high-impact, rapid and visible assistance during 1996 in support of the peace process were needed. They were quick to perceive the relationship between these needs and the achievement of United States Government and USAID goals in the region.

-- Coordination of resources was a concern and an objective throughout the assessment process. Bosnia's shelter needs are great, the combined resources of the Federation and the donors remain relatively modest. Such coordination is essential to insure efficient use of resources which are available.

Coordination began through the assessment itself. Extensive consultation was conducted with 250 officials and staff members of dozens of municipal, cantonal, republic and Federation institutions and with multi-lateral and non-governmental organizations in the field and with other donors to learn of their own plans and to elicit their recommendations for USAID activities. During implementation, the program is to be coordinated at three levels:

(a) The municipalities will coordinate the efforts of all organizations within their jurisdictions active in the shelter sector. They propose specific work to be undertaken and/or review the proposals of organizations which wish to be active in their jurisdictions by comparing these proposals with their own local priorities and assessment of needs. NGOs participating in the USAID/DART program are also responsible for coordinating with other governmental and non-governmental organizations in their respective areas.

(b) In each region, a shelter sector committee has been organized, initially under the auspices of UNHCR. NGOs participating in the USAID/DART program are active members of such committees.

(c) Particular attention has been focused on coordination with the UNHCR materials distribution/self-help program. UNHCR has chosen, up to the time of this writing, to vest responsibility for management of its program throughout Bosnia in a U.S. NGO, the United Methodist Committee on Relief (UMCOR). UNHCR's selection of a single implementing partner for this effort streamlines administration and overhead and will facilitate coordination. One of the greatest management burdens of the UNHCR

program is procurement. The selection of a single implementer will reduce the risk of inflation of materials costs which multiple implementers bidding in the same supply market could engender. UMCOR and the DART team were observed to be cooperating in the field to insure that the resources of the UNHCR and USAID programs complement each other, and to avoid duplication of effort.

The authors urged the Department of State's PRM Bureau, which would contribute to the UNHCR's appeal (which included its shelter program), to take additional measures aimed at further enhancing coordination in the shelter sector.

-- A Program Description, developed with the participation of the authors, set forth the remaining details of the \$25 million 1996 Emergency Shelter Repair Program for Bosnia.

Geographic Distribution of Shelter Repairs

The terms of reference under which the ESRP was approved mandated that the program operate only in Federation areas and that villages to be assisted would be "principally in or in areas contiguous to the U S IFOR zone." For the 2,400 units allocated by the USAID/DART team as of this writing, 55% of the villages accounting for about 60% of the units are located within or contiguous to the (predominantly Muslim) U S IFOR zone.

Members of the USAID/DART team, the participating NGOs responsible for activities in the U S IFOR area, the authors and, in some cases, a senior BHR representative and a USAID/Sarajevo representative, carefully examined the possibilities through extensive field visits, with the goal of adding villages within that zone. As many villages as possible which met the program criteria of being "largely destroyed" were included. Two constraints limited the number of villages included within the zone.

-- Particularly heavy land-mining along the Federation's northern border with the RS. A significant number of villages were marked with U S IFOR red and white warning tapes indicating that landmines presented a serious danger. Although displaced families were spontaneously returning to some of these villages, it was concluded that the landmines presented too great a danger to permit ESRP activities. The prospects for landmine clearance within a period short enough to permit ESRP implementation in 1996 appeared tenuous.

-- Final adjudication of some areas within the zone remained unsettled under the Dayton Accords, as did the final definition in the field of some boundaries which they established. It appeared unwise to work in some areas where durable access to their homes by the beneficiaries might remain in question.

FINAL RECOMMENDATIONS

Emergency Shelter Repair Program Implementation

By mid-April, when the assessment team departed Bosnia after its second visit, the USAID/DART team had made a solid start of program implementation which appeared, despite the delay in receipt of funds, to be generally on schedule. Seven of eight NGOs participating in the program and about 44 of the villages they would assist (accounting for 2,300 of the shelter units) had been identified. The DART team was working out the details of its program with the eighth NGO (which would manage 100 units) and consulting with it on village selection.

The next recommended critical management steps were

- (a) Execution of program grants, which had been almost entirely completed in April [Prior to departure from Bosnia, the assessment team proposed that a clause be included in the NGO grants which clarifies NGO responsibility for verification of appropriateness of beneficiary selection and other functions which they share with the municipalities.]
- (b) Prompt written confirmation with local municipalities by the participating NGOs of the agreed-upon villages. Such confirmation should have been completed by the end of April for 2,300 units.
- (c) Pro-active efforts during May by the NGOs in selection of beneficiary families to insure that they adhere to criteria set forth in the program description and to confirm that the selected families are prepared to return to their homes within sixty days of completion of repair. While this responsibility will be carried out jointly with the respective municipalities, the NGOs -- to assure their overall program success -- should themselves verify the presence of the families and their decision to return to their home villages. DART field supervisors should assure that this process is carried out effectively.
- (d) The DART team should consider contracting a field-experienced Bosnian engineer or program supervisor to augment its management capability.

DART team effectiveness will be handicapped by in-country travel restrictions on its U S personnel which apply to all U S Government employees in Bosnia. Such restrictions are imposed by security risks as assessed by the Embassy's Regional Security Officer. They will affect the ability of the team to monitor and assist program implementation. It is another reason why reliance on independent NGOs, which are not subject to such restrictions, is advantageous.

Complementary Village Infrastructure

DART team members, accompanied by the authors, visited each of about 44 villages which by mid- April had been selected for ESRP assistance. Visiting the specific selected villages on the ground, opportunities for small village infrastructure projects -- usually \$2,000 - \$50,000 activities in school and health clinic repair, water, minimum sanitation and electrical rehabilitation, small road and bridge repairs -- presented themselves. These minimal but essential repairs will be important to provide a basic level of services to families who return to these pioneer villages and to assure the fullest success of the ESRP.

Existing USAID/DART cooperative agreements with two participating NGOs, and funds remaining in the DART's current rapid response program which could be converted to quick-impact micro-projects, were set to cover a part of this need. Together these available funds comprised about \$2 million. The authors recommended that, moreover, an **additional** \$2 million of USAID funds be set aside for implementation of such activities during the 1996 building season, thereby making a total of \$4 million available for complementary village infrastructure. Following a field visit by the DART/ESRP Program Manager and the authors, together with a USAID/Sarajevo representative, to a number of target villages, consensus within the USAID Mission was readily gained for this recommendation. It was approved by the Administrator shortly thereafter.

Implementing Mechanism for \$4 Million

The authors had concluded that the quickest, most cost-effective and logical channel for this assistance was the USAID/DART team, which would work through the eight NGO grantees already selected to implement the Emergency Shelter Repair Program. Most of these NGOs have extensive experience in their respective geographic areas of Bosnia -- some possess considerable technical expertise in emergency rehabilitation of water, sanitation and other such services. Their engineers and program managers will be visiting these villages several times weekly to manage the shelter repair program and can take advantage of their expertise and on-the-ground presence to quickly identify the needs, prepare technical specifications and procurement strategies, and mobilize the resources necessary to complete implementation of the required micro-projects within 1996, to the degree feasible.

Channeling this small additional amount of funds through the USAID/DART team would also keep program management in a single, existing, proven management channel, avoiding the confusion and problems of dual management tracks (had another mechanism been chosen). The DART team field supervisors can combine oversight of the ESRP projects with supervision in the very same villages of these additional micro-projects. The DART team is experienced in the selection,

management and administration of rapid response/quick impact efforts such as these and will know how to establish an appropriate mechanism for micro-project approval and funding. At this writing, the DART remains the most operational office of the Mission in Bosnia and has solid management. A single, seamless management track will also reduce NGO workload by providing a sole reporting track and interface with USAID for what is, in essence, a single integrated program.

At the same time as he approved the use of \$4 million for complementary village infrastructure, the Administrator determined that this package would be managed through the same USAID/DART-NGO network which manages the overall \$25 million ESRP.