QUICK IMPACT, SLOW RECOVERY?
FUNDERS’ PRIORITIES AND THE LOCAL REALITIES

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In the rush to establish a defining local presence and win over public support for democratization initiatives in post-Milosevic Serbia and Montenegro, policy decisions underlying international assistance were often made quickly and new strategies were put to test. This chapter tells the story of such decisions within the context of the Community Revitalization through Democratic Action (CRDA) program that was launched in Serbia and Montenegro during 2001 and 2002. It draws primarily upon observations and discussions with international donors, implementing organizations and local actors during the initial implementation of these initiatives to document incongruence between the priorities of funders and the local realities of program implementation.

The CRDA program’s emphasis on citizen-led community improvement projects and local capacity building represents an exciting new wave of democracy assistance. When coupled with complementary initiatives to strengthen local institutions and decentralize political authority, as in Serbia and Montenegro, the prospects for real progress appear great.\(^1\) Initial observations and local perspectives, however, suggest that hopes for sustained impact hinge on the actions of funders as much as implementers. CRDA’s fixation on quick impacts may fulfill funder priorities, facilitate new funding flows and combat initial public skepticism but when hurried implementation becomes insensitive to local realities, the benefits are undermined by the costs of recovery.

*The Dawn of CRDA and the Rapid-Start Concept*

Transitional initiatives are by-and-large fast paced and opportunistic by design; they mirror the volatile environment around them.\(^2\) Just as local politicians, businessmen and criminals competed for control and influence in Serbia and Montenegro following the collapse of the Milosevic regime, the international community followed suit, hoping to capitalize on this precious window of opportunity to ensure the formation of a stable democratic state. It is in this context that United States Agency for International Development’s Office of Transitional Initiatives (USAID/OTI) launched the Democratic Transition Initiative (DTI) in November 2000, just weeks after Milosevic’s fall from power. Eight months later, in July 2001, USAID commenced the CRDA program in Serbia. In Montenegro, CRDA would commence the following year, in May 2002.

CRDA was modeled on USAID’s Rural Community Development Clusters (RCDC) program in Lebanon; however, similar elements for community-based decision-making were present in both

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\(^1\) The USAID-funded Serbia Local Government Reform Program (SLGRP) is aimed at strengthening the capacity of municipal level government.

DTI and USAID/OTI’s neighboring Kosovo Transition Initiative (KTI). In Serbia, community improvement projects were first enacted with highly political aims; they were initiated in “targeted and catalytic” municipalities to “capitalize on dramatic moves toward democracy” and “consolidate the political gains achieved through elections in September and December 2000.” During the initial two phases of USAID/OTI’s community development strategy, community improvement projects were determined and developed primarily through discussions with mayors and municipal council presidents representing the Democratic Opposition of Serbia (DOS) coalition. However by the third phase, DTI began to conduct town meetings to identify community priorities and establish Community Development Groups to arrive at projects for USAID/OTI funding. Within this process of gradually increasing citizen participation, CRDA was envisioned to represent the next step.

CRDA was designed to “use community development activities to build trust between different ethnic groups, to demonstrate the value of citizen participation, to support grassroots democratic action and to bring immediate improvement to people’s lives.” Although CRDA was conceived as a “transition program,” it embodies a number of concepts more commonly associated with traditional development projects. CRDA processes are citizen-driven, representative and include cost-sharing to ensure community ownership for projects. However, according to the Director of USAID’s General Development Office in Belgrade, CRDA is focused on producing projects and engaging communities only for the duration of the program and “what happens later doesn’t matter.” This dichotomy of long-term development-oriented tactics and a focus on short-term transition-oriented results may be both CRDA’s greatest strength and weakness.

In line with USAID’s emphasis on results-based management, the most important selection criterion (roughly 50%) for awarding CRDA grants was the presence of key staff with a demonstrated record for producing results. Simultaneously, the community-based nature of the CRDA program and five-year design attracted and rewarded grant proposals from development-oriented international non-profit organizations. The resulting group of principle implementers in Serbia included Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Activities (ACDI-VOCA), America’s Development Foundation (ADF), CHF International, International Relief and Development, Inc. (IRD), and Mercy Corps International. CHF International and IRD were also awarded CRDA grants for Montenegro.

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3 These programs all appear to reflect an increasing emphasis on participatory community-based democratization initiatives at USAID that can be seen globally.
5 According to USAID/OTI Chief of Party Paul Randolph, community improvement projects were intended to demonstrate that DOS would deliver on promises that the old regime had made yet failed to achieve. The first phase of activities targeted communities with DOS victories in the September 2000 election to bolster public support for the DOS in the upcoming December 2000 local elections. During the second phase, following the December elections, USAID/OTI targeted specific communities where the DOS had smaller margins of victory.
7 Comments made during the two-day working forum “Bridging the Knowledge Gap in International Community Assistance: Mechanisms for Cross-Organization Cooperation and Implementing Lessons Learned,” 23 August 2002, Podgorica, Montenegro.
8 Ibid.
By awarding CRDA grants, rather than contracts, USAID provided program implementers with the latitude to individually define their tactics and methodology for achieving CRDA objectives. Specific program outcomes and results, however, were clearly defined through Cooperative Agreements with USAID. In response to USAID’s flexibility, grantees tailored the CRDA model to fit their development-oriented missions and interest in sustainability. As a result, long-term plans and exit strategies emerged even in the absence of USAID criteria for sustainable impact. According to the Director of USAID’s General Development Office in Belgrade, USAID created “an experiment” where its grantees were encouraged to utilize the means they see fit and adapt to the local realities of their geographical area of responsibility. By the end of the program, USAID believes that each grantee will have taken vastly different paths and will be able to each demonstrate that they were successful.

At the program’s launch, however, grantees faced a number of common challenges. In particular, USAID recognized that US-funded assistance programs would be met with tremendous skepticism and suspicion by the public. Memories of the 1999 NATO bombings of Serbia were still fresh in the public mind and visible throughout the country. Furthermore, the Serbian public had seen few tangible results from international assistance in recent years despite hefty promises. CRDA’s ability to overcome these hurdles would hinge, at least initially, on the ability to build public confidence in the benefits of participation, dispel preconceptions of ulterior program motives and demonstrate CRDA’s capacity and commitment to follow through on promises. Furthermore, CRDA would need to keep above the political fray, a difficult task in a country where most all decision-making is politicized.

Although the initial design of CRDA contained no “rapid-start” phase, a change was made to jump-start implementation and underscore USAID’s focus on “heavy community participation and rapid results.” Within the first 90 days of implementation, CRDA grantees in Serbia were asked to conduct an assessment of their region of activity, identify 60 communities for inclusion in the program, hold public meetings to establish citizen committees in each community, and commence at least one community-driven project within each of the 60 communities. In the process, new offices were to be established, staff were to be selected, hired and trained, vehicles and logistical equipment were to be procured and administrative and operational processes were to be defined.

Much like shock therapy, USAID envisioned that a quick and intense jolt of citizen participation could foster a public commitment to democracy. The emphasis on rapid results was, according to USAID publicity materials, “to alleviate suffering, to demonstrate that democratic action works and to

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buy time for implementation of major policy reforms at the national level.” By establishing specific rapid-start goals for all its grantees, USAID aimed to prevent the administrative slow-down common at program start-up, set a pace for the speed and results that it expected from its CRDA grantees and ensure that each organization would be on target for meeting its year one goals. USAID also hoped by establishing a quick and tangible community impact, they would appeal to public self-interest, mobilize community support and quiet peripheral concerns.

In addition, the rapid-start approach was particularly practical for USAID because it reflected the agency’s results-based methodology and would likely bolster the agency’s ability to secure and justify Congressional funding. The CRDA program in Serbia was valued at 200 million dollars for five years, however, funding was ultimately contingent on USAID’s ability to justify this level of funding to Congress. CRDA funding in Montenegro was even less certain – estimated at 27 million dollars for a period of three years with hope of an additional two-year extension. While Serbia remained fresh on the international radar screen in early 2001, fueled by Milosevic’s presence in the media, interest would quickly wane. To effectively secure future funding, USAID understood that it needed to spend its allocated funding quickly and illustrate direct, tangible results. The rapid-start process facilitated both these goals and was able to translate the ambiguous concept of civic society development into practical terms that politicians in Washington could understand.

The Rapid-Start Approach: From Concept into Practice

The reaction of CRDA grantees to rapid-start demands in Serbia was far from enthusiastic; the policy change undermined original work plans, often requiring drastic revisions and new strategies. IRD, for example, had based its original CRDA proposal for Serbia around a period of intensive community development work before communities were chosen; when USAID insisted on community selection being made immediately, such strategies were no longer viable. To meet 90-day performance goals, implementing organizations were forced to devise short-term strategies that could cut corners on time-intensive activities and maximize results. As a result, a number of organizations were still drafting their work plans weeks after the program’s launch.

Although all CRDA grantees was asked to meet the same rapid-start goals, starting points, advance preparations and local obstacles to implementation varied greatly. CHF International, for example, was fortunate to have previously established two offices and began implementing community development projects in Southern Serbia’s Presevo Valley several months earlier as part of the USAID-funded Community Infrastructure Development Program (CIDP). ACDI-VOCA, in contrast, had no country presence at the program’s start. Local timing concerns also came into play. CRDA rapid-start was centered around the month of August, when many Serbian citizens, including

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11 USAID adopted an agency-wide emphasis on “results-based management” at least partly in response to criticism that its programs failed to hold implementing partners accountable for producing promised or intended results. According to the Director of USAID’s General Development Office in Belgrade, USAID lacks implementers who can “get things done.” Through strategies like the CRDA rapid-start, USAID has aimed to ensure results-based accountability.

12 The failure to entirely utilize allotted funding is often interpreted in Washington as a sign that additional funding is not needed. As a result, USAID country offices tend to place a strong emphasis on spending their allocated funds quickly and completely.

13 CIDP was initiated in March 2001 in response to growing threats of instability in Serbia’s southern border region. CHF International had established an office and Vranje and a suboffice in Presevo.
local mayors and municipal leaders, take vacations to the beaches in Montenegro and elsewhere. In addition, August was one of the busiest months for Serbia’s agricultural workers. These factors and others became obstacles for establishing new partnerships with communities and ensuring heavy community participation. CRDA implementers also struggled with the logistics of administrative set up, held up by local bureaucracy and infrastructure limitations in some areas.

In response to a narrowing time frame for initial program implementation, CRDA grantees were often forced to rely on a set of standardized and imperfect methods for rapidly selecting communities and assembling community committees. A lack of advance preparation and research in communities also meant that CRDA grantees were often unable to recognize and prevent political parties and power figures from taking control of their community decision making processes. As a result, many of the community committees initially formed were suspect and marked by limited community participation. USAID had established criteria to ensure gender and ethnic representation in community committees and ensure adequate cost sharing, as well as other characteristics; however, a number of these requirements became negotiable in the first 90 days to ensure that the target goals were met. IRD, for example, established “project committees” to meet rapid-start demands with the intention to select “real” community committees at a later point when more time was available. Community boundaries that were quickly defined in the 90-day rapid start phase also required modification at a later date. The Chief of Party at one CRDA implementing organization acknowledged simply, “a lot of decisions were made that would not have been made if time was not such an issue.”

Outside of each organization, concerns and frustrations about the rapid-start phase were generally suppressed. Heavy pressure from each organization’s headquarters and competition between the program’s grantees meant that staff was inclined to do whatever was possible to meet their rapid-start goals. Pressures in Serbia were also heightened by expectations that CRDA would be introduced into Montenegro and new multi-million dollar grants would be awarded for that work. By the end of the first 90-days, USAID reported that CRDA was working in 257 communities and had identified 333 projects. By the six-month milestone, CRDA was implementing 383 projects in a total of 305 communities across Serbia.

Despite the significant obstacles, frustration and long hours that were endured during the rapid-start phase, CRDA grantees acknowledged that once the first project was completed, community attitudes towards CRDA changed favorably. The completion of projects appears to have bolstered CRDA’s standing in communities and attracted new interest. However, amidst the extreme disorder of the rapid-start phase, staff morale and program methodology suffered severe setbacks. CRDA grantees were forced to redefine the community mobilization and decision-making processes within each of their communities and re-educate the public about how the program was intended to run. In the aftermath of rapid-start, CRDA grantees had to first dig themselves out of the hole that created in

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14 USAID conceded that requirements for gender and ethnic representation and 25 percent cost sharing on projects are overall requirements for the 5-year duration of the program but need not be strictly enforced in the initial 90-day rapid start.

15 Interviews conducted in Serbia during March 2002.

16 Ibid.
the first 90-days before they could start anew. This task was nearly as great as the initial quick impact goals.

**Programmatic Learning and Transition: From DTI to CRDA**

As CRDA grantees established themselves in Serbia and Montenegro, USAID/OTTI’s Democratic Transition Initiative completed their final round of community improvement projects and prepared to bring their mission to a close. USAID/OTTI had established a local presence in 57 municipalities within Serbia and Montenegro under DTI; CRDA would pick up roughly three-quarters of these municipalities. Despite this geographic overlap, initial assessments at DTI suggested that most of the established Community Development Groups (CDG’s) would cease to exist. Although significant time had been invested into training and building the representative capacity of these community groups, they lost their primary *raison d’etre* when project funding ceased.

USAID/OTTI hoped that CRDA grantees might adopt their pre-established CDG’s as CRDA community committees, thereby directly bridging the two programs; however, many CRDA grantees viewed DTI as overly political and simply preferred to start with a clean slate. In addition, CRDA grantees were often too consumed with their rapid-start strategies to coordinate with DTI. Many CRDA practitioners did not even know the names of their DTI counterparts. In one Serbian city, the offices of DTI and one CRDA grantee were just several blocks away from each other; however, CRDA staff had never visited the DTI offices or shared information. The lack of program linkages mirrored the politics and division between USAID/OTTI and USAID. Despite shared facilities in Belgrade, each office remained fiercely independent.

When the CRDA program entered DTI communities and deliberately sidestepped members of the former CDG’s, any hopes of a gradual programmatic transition faded and public skepticism often followed. Knowledge that had been learned about specific communities, data that had been collected and contacts that had been made often fell to the wayside. In addition, tools that had been created by USAID/OTTI, including a comprehensive project management system, were not handed over. Rather, each CRDA grantee began their work from scratch. Lessons that were learned by USAID/OTTI during implementation of DTI in Serbia and KTI in Kosovo, including detailed guides of how to best pick communities in which to work and effectively organize community meetings, were also never conveyed to CRDA. As a result, CRDA grantees were poised to repeat many of the unnecessary blunders that DTI had experienced in the early phases of their implementation. Observations on the ground and discussions with CRDA implementers suggest that they did exactly that.

**Program Duplication in Montenegro**

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17 *Ibid*

18 Ray Jennings and Paul Randolph of USAID/OTTI have produced a brief six-page document entitled “Guide to Community Impact Project Development” that details a number of best practices and lessons learned through USAID/OTTI’s activities in the Balkans.
In the spring of 2002, USAID announced the award of two new grants for implementation of the CRDA program in Montenegro. Confident about the progress and direction of CRDA in Serbia, USAID retained all its general program guidelines. Like their predecessors in Serbia, CRDA implementers in Montenegro faced daunting 90-day rapid start demands. On the contrary, they benefited from advance notice of these demands and could draw upon resources and lessons learned in Serbia. As one might expect, implementers in Montenegro emerged in a more advanced position than they had been in Serbia at the program’s launch.

CHF International and IRD rooted their proposals for CRDA Montenegro in the models developed for Serbia, adding new concepts to enhance their appeal and reflect local conditions. By using the logical frameworks and program indicators previously developed for Serbia, each organization was able to spend more time conducting preliminary community research and tailoring their program design. For roughly two months in late 2001, for example, IRD sent two staff members around Montenegro to meet with mayors and research community needs.

Neither CHF International nor IRD had previous offices or program experience in Montenegro; however, they each recruited key international staff with strong regional experience and expertise in participatory community development. USAID’s selection criteria for proposals propelled and rewarded such decisions. At each organization, the Chief of Party worked on CRDA-style programs either directly or indirectly prior to work in Montenegro. Robert Flick, who served as a consultant in the writing of the CRDA proposal for Serbia, authored IRD’s proposal for Montenegro before becoming Chief of Party. At CHF International, Christine Mulligan, a veteran of USAID/OTT’s Kosovo Transition Initiative, was selected to lead their mission. Perhaps most vital to the program’s advancement, each organization selected their community mobilization specialists from their CRDA missions in Serbia. These staff brought with them tools and procedures, coupled with a valuable knowledge of setbacks, hurdles and successes that were met in Serbia.

Whereas CRDA implementers in Serbia were often forced to develop tactics through trial and error, a number of core procedures were directly handed over to their Montenegro offices, saving time and providing crucial structure for tackling the 90-day rapid start phase. CHF Serbia’s consultant team in Serbia, for example, designed a series of step-by-step procedures and forms to guide community development activities. In addition, 18 training modules were produced. Supplementing these preparations, advance knowledge of the 90-day rapid start phase led each organization to develop specific strategies to ease their way. Unaware of a best approach, each organization devised vastly different approaches. IRD choose to emphasize the large, obvious, priority items in communities, primarily infrastructure such as schools and roads, during the first phase of projects. These projects were often easiest to reach a consensus on. Furthermore, IRD expected that by getting these big,

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19 During the period of May 1, 2002 to July 31, 2002, IRD and CHF were asked to establish offices and hire staff in Montenegro, identify at least 50 communities to be used for the duration of the CRDA program, hold open town meetings to introduce the program, develop representative community committees in each community, and publicly tender, contact and begin work on 50 community-defined projects.

20 Research of this type was also more practical in Montenegro than Serbia as a result of Montenegro’s relatively small geographic area.

21 Despite their background of experience in the Balkans, none of the international staff had prior experience in Montenegro.

22 As cited earlier, the most important selection criterion (roughly 50%) for awarding CRDA grants was the presence of key staff with a demonstrated record for producing results.
high profile projects “out of the way,” community members who were only interested in paramount projects of this type might be satisfied and would move aside for others in the community to participate. CHF International, in contrast, focused on projects assured to get completed quickly and with limited difficulty. Large infrastructure projects that required a high amount of permits, for example, were avoided. These projects tended to be smaller, as compared to IRD, and may not have been the community’s first choice.\footnote{The average cost per project during CHF’s 90-day rapid start phase in Montenegro was 29,915 Euros.}

Despite their advance preparations and experienced staff, CRDA grantees in Montenegro could not predict many of the challenges that they faced during the rush of the rapid-start period. Even when aware of the obstacles ahead, both CRDA implementers in Montenegro ran into many of the same problems as one another and as their predecessors in Serbia. Despite some additional time for advance research during the proposal-writing period, both organizations expressed a lack of time for adequately gathering information on communities, a rushed process of forming community councils/committees and not having time for necessary training and capacity building in communities and within their organizations.

Problems experienced during CRDA’s initial implementation in Montenegro appeared largely based in lack of time rather than merely inadequate planning. One Chief of Party described the CRDA start-up as “chaotic and disorganized” and contends that the organization “made every error possible and committed all the sins that you can for a development project.” \footnote{Interviews conducted in Montenegro during August 2002.} Despite strong disagreement between USAID and the CRDA grantees over the value of the rapid start phase, neither implementing organization was willing to confront USAID and “buck the system.” USAID’s goals were considered inflexible, according to one Chief of Party, regardless of the reality on the ground. When problems arose during the CRDA rapid start phase, their headquarters’ office instructed them to meet USAID targets come “hell or high water.”

While CRDA grantees intensely concentrated their efforts on the creation of new community groups and projects, the timing of the CRDA program played neatly into the hands of local politicians. The program’s launch in May 2002 aligned with Montenegro’s local elections and the second wave of projects corresponded to national elections in October 2002, providing ample tools for politicians to stake claim to outcomes. As a result, it has become widely perceived by the public that the CRDA program is directly linked to the ruling political party, Milo Djukanovic’s Democratic Party of Socialists (DPS). These views have been regularly reiterated in media and generally accepted by the public as mayors and members of DPS have utilized open town hall meetings to demonstrate their role in the process. In many areas, opposition parties are believed to have boycotted the community process thus furthering this perception.

The poor understanding of non-governmental actors in Montenegro and a general lack of formalized channels for their interaction with local government have also contributed to these concerns. While both IRD and CHF were aware of this problem and considered it at the top of their priorities, neither organization was prepared or had the capacity and local knowledge to address the issue in the start-up phase. Now, after the fact, IRD and CHF expressed a strong need to reevaluate their
processes, redefine procedure and redo work that they may not have been able to do correctly the first time around.

Local acceptance and response to CRDA principles, including community mobilization tactics, has not occurred with as much ease as originally anticipated. As a result of the general lack of earlier like programs in Montenegro, training needs for staff and participating community members has been great. Amidst the rush of the rapid start phase, few opportunities have been available for such training to date. While most CRDA program staff hold several years of work experience with international organizations, this experience has primarily been in roles related to humanitarian assistance rather than development-style programs. In particular, participatory techniques for problem solving and engaging citizens are very new to the region. Similarly, communities in Montenegro have generally not had experience with development-oriented processes such as developing community councils/committees – as one may find in other regions of the world such as Latin America. As a result, the process of explaining and walking staff and communities through these processes has been time-consuming and incomplete. Much of the time in community meetings and similar activities continues to be focused on answering general questions and clarifying program processes.

This carry over of key staff appears to have been critical in ensuring lessons learned and the expansion of developed procedures, particularly in light of weak ties between country offices in Serbia and Montenegro. Relations between the country offices were cordial, albeit marked by tension. The same was true and even intensified at USAID. The unease reflected differences in personalities, philosophies and, perhaps most relevant, competition for attention with each entity’s headquarters in Washington, DC. At USAID, the tension appeared to directly mirror national politics. USAID Montenegro had gained increased autonomy with the fragmentation of the Federal Republic of Yugoslavia and shift of authority in Kosovo. However, their budgets remain linked with USAID Serbia in Washington. The resulting scenario blurred lines of authority, peeved administrators in Montenegro and inevitably served as a barrier to broadscale cooperation between CRDA programs in Serbia and those in Montenegro.

USAID’s role, in contrast, has not appeared have been an asset to the organizational development of CRDA grantees to the extent that one might hope or expect. Relationships between USAID offices in Podgorica and Belgrade appear tense and as a result, links between CRDA activities in Serbia and Montenegro have been very limited. General development officers, who manage the CRDA program in Montenegro, also changed in the middle of the start-up phase thus adding an additional obstacle to developing USAID’s relationships with its grantees. USAID’s exact role and expectations in the CRDA process appear to remain vaguely understood and defined and as a result may be impeding the natural development of organizational procedures. In one critical example, USAID reporting requirements have yet to be finalized and as a result project record keeping and data collection has been on hold or not fully implemented to date. The process of waiting for USAID’s Project Reporting System (see Figure A) and a clarification of required indicators appears to have stalled the monitoring and evaluation process at both organizations or at the least, has become a convenient excuse for grantees to justify a lack of advanced planning in this area. In addition, confusion over differences in each organization’s perception of CRDA goals and needs and USAID’s
perception may prove to be an obstacle in developing long-term program goals and strategies. USAID, for example, has expressed a lack of interest in monitoring long-term impact or sustainability, whereas both grantees perceive these to be critical components of their approaches to the CRDA program.

Logic of section: (1) CRDA grantees in Montenegro started off with greater assets (A, B, C) that enhanced their ability to handle rapid-start demands (2) they also faced setbacks (D,E,F,G). (3) In the end, the impact of rapid start remained the same as in Serbia – it increased the obstacles for CRDA and created troubles that now require mending.

I Assets
A. Use of previously defined models & carryover of procedures → framework for activities (more than just conceptual) + more time to conduct research
B. Carryover of key staff + staff with comparable experience → knowledge base
C. Advance knowledge of rapid-start strategies (explain)

A + B + C → Increased preparedness and capacity to handle rapid start

II. Setbacks
D. No prior experience working in Montenegro → reliance on national staff, greater learning curve for international staff, increased difficulty in preparation/anticipating problems
E. Limited capacity among national staff → need for more training
F. Timing: Alignment with political cycles, tourist seasons (explain)
G. Tension between national offices → limits cooperation, clarity of objectives (USAID) (cite PSC problems)

I+II → The CRDA program in Montenegro faces heightened obstacles as a result of the disorder and rush associated with the 90-day rapid start phase.

Conclusions and Recommendations

CRDA’s fixation on quick impacts suggests both an evolution and return to the shock-therapy methodology that was practiced and highly criticized following the collapse of the Soviet Union. Granted, USAID’s new concept is quite distinct. CRDA’s asserts that a jolt of “heavy community participation and rapid results” is essential in fostering a public commitment to democracy. … however, from the standpoint of program implementation, …