



ICRC

**The Situation of Internally Displaced
Persons in Serbia and Montenegro**

ISSUES PAPER

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Introduction

This ICRC Issues Paper is an important part of the ICRC Advocacy Campaign for Serbia and Montenegro, of May 2005. It coincides with the closure of all ICRC Assistance activities in Serbia and Montenegro, which have been running continuously, in favour of the Internally Displaced Population, since 1999. Some final reflections are provided on the impact of these ICRC activities, and attention is drawn to the Humanitarian, Legal and Protection Environment in which the Internally Displaced Population continue to live in.

This paper makes reference to the findings of a recently completed full Internal Review of ICRC Economic Security Programmes undertaken between 2001 and 2004, which demonstrated the impact made through relatively new approaches for the ICRC, namely four Micro-economic Initiatives and a Cash Assistance Programme.

As part of the 2005 Internal Review, the ICRC also commissioned a Household Economy Assessment of the needs of the IDP population in Serbia and Montenegro. The findings of the assessment have been highlighted, as they explain the continuing humanitarian needs of the IDP population, which are themselves closely linked to wider protection concerns of the ICRC.

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1. Summary of Key Issues

Material needs: The overall humanitarian situation in Serbia-Montenegro, and withdrawal of ICRC economic security activities causes concern that the material needs of vulnerable Internally Displaced Persons (IDPs) will remain largely un-addressed in the immediate and medium term future. From the time of their displacement until now, the ICRC has continued to take care of this population forced to live in an unfamiliar environment with weak public services and rampant unemployment. This persisting displacement compounds IDPs vulnerability, which can no longer justify an action primarily based on a humanitarian intervention. Long term interventions more of a structural nature are now required and need to be taken urgently by those directly responsible for the welfare of the population under their authority. This situation justifies the ending of ICRC Assistance activities in favour of IDPs. Within the wider population the IDPs continue to be especially vulnerable to certain negative economic side effects of transition, not helped by their continued disenfranchisement by national laws and policies. A Household Economy Assessment of Internally Displaced Persons in Serbia and Montenegro commissioned by the ICRC in April 2005, highlights that many IDPs may be in a more difficult position now, and in the future, than they have been at times during their displacement.

Legal and Protection Issues: The precarious legal status of almost 230,000 IDPs in Serbia and Montenegro continues to worry the ICRC. Remaining anonymous, legally disenfranchised, deprived of resources and at risk of being discriminated against by the resident population, potentially exposes certain categories of IDPs, in particular women, children and minority groups, to additional pressures requiring an intervention from the Authorities. These interventions should not only lead to legal recognition of their status but aim at reinforcing and respecting IDPs rights in practice.

Successful New Approaches: From 2001 to 2004, the ICRC implemented at various times, three Micro-economic Initiatives (MEIs), and in 2004, a Cash Assistance Programme (CAP), in favour of IDPs. These programmes represented a relatively new approach for the Institution, and yet prove that solutions that involve the beneficiaries in making their own choices have a lasting humanitarian impact, and in the case of the CAP, also partly touch on issues of legal recognition. The 2005 *“Internal Review of ICRC Cash Assistance and Micro-economic Initiatives in Serbia-Montenegro”* demonstrates how these assistance programmes effectively addressed humanitarian needs, but also restored or maintained dignity, hope and self worth. By allowing the IDPs to emerge from anonymity, to recover their personality, to develop normal human relations and interactions with the local population, and sometimes gain recognition of legal issues too, these programmes also served to protect them. Furthermore, the ICRC’s attempts to restore the IDPs self reliance, significantly reduced the need for local assistance, and though modest, the injection into local exchanges of the resources made available by the programmes to the beneficiaries, led the local population to adopt a more mutually supportive attitude and greater solidarity during difficult and uncertain times.

2. Background

2.1 Context

Following the collapse of the Yugoslav Federation in 1991 the Federal Republic of Yugoslavia (FRY) was involved in a decade of armed conflict with former sister Republics and on a broader international level. Due to these conflicts the UN Security Council imposed sanctions on FRY until the signing of the Dayton Agreement at the end of 1995. The effect on the economy and on the lives of the people was drastic, with a drop in the household income of some 40%, and by 1994, up to 25% of the population were living under the poverty level.

Sanctions were re-imposed in 1998 as a result of the situation in Kosovo. The NATO bombings in 1999 caused further and significant damage to FRY's remaining economy and industry. The country was also hosting more than 500,000 post-Dayton refugees and some 200,000 IDPs from Kosovo. From 2000 until the present day, Serbia has experienced a number of further dramatic and destabilising events, including the ousting and arrest of President Milosevic, and the flare up of hostilities and violence in southern Serbia.

In 2003 Serbia remained in a state of political and economic uncertainty. The assassination of Prime Minister Zoran Djindjic in March of 2003 resulted in the declaration of a State of Emergency. The Government's main priorities remained the fight against organised crime and economic reform. However, the unresolved status of Kosovo, the fragile security situation in southern Serbia and the negative social side effects of some of the Government's reforms (such as the clamping down on the grey economy) has led to a continuing unstable and fragile situation up until today.

2.2 Displacement to Serbia and Montenegro

Beginning in 1999, an estimated 270,000 people fled from Kosovo into Serbia and Montenegro to escape the NATO bombardment (March 24 to June 11, 1999) and subsequent attacks against ethnic minorities by the majority population.

Displacement in Serbia

In February 2005, the United Nations High Commissioner for Refugees (UNHCR) estimated that there are currently 208,135 IDPs living in Serbia. According to the Serbian Commissariat for Refugees (CfR) approximately 60,000 IDPs are estimated to be non-Serbs. These minority groups are mostly Roma, but also include 5,000 Albanians and the CfR estimates as many as thirty-one other ethnicities. Initially, IDPs remained in southern and central Serbia, close to the border with Kosovo, in anticipation of a quick return. In the six years since they were displaced, and as prospects for return have dimmed, however, many IDPs have moved northwards towards central Serbia and Belgrade where they perceive economic opportunities to be greater.

Displacement in Montenegro

On the basis of a census undertaken in September 2004, UNHCR estimates that there are 18,019 IDPs living in Montenegro, and of these, approximately 26% are Roma. The total number of IDPs is significantly reduced from a 2003 figure of 28,493.

The numbers of both refugees and IDPs in Serbia have reduced somewhat since 2003. This can be attributed to a number of factors, including the following:

- Some refugees have opted for Serbian or Montenegrin citizenship.
- A small number (CfR estimates 0.2%) of Kosovo IDPs in Serbia have 'deregistered' in Serbia and successfully registered as residents (this was made legally possible in 2002).
- Some IDPs in Montenegro have moved to Serbia, or 'registered' themselves in Serbia in order to receive social welfare benefits and to enjoy the marginally greater level of rights available to them there, even if they physically remain in Montenegro.
- A small number of IDPs have received residency in Montenegro (if they were born in Montenegro, were 'fast-tracked' for residency because they possess desired skills, or owned property in Montenegro when they were displaced).
- Less than 2% of IDPs have returned from Serbia and Montenegro to Kosovo, according to UNHCR estimates.

3. The Humanitarian Situation

3.1 Humanitarian Gaps

In March and April 2005, the ICRC commissioned an assessment of vulnerability within the population of internally displaced persons (IDPs) from Kosovo living in Serbia and Montenegro, as part of an evaluation of its transitional activities implemented between 2001 and 2004.

The assessment was based on household interviews conducted with IDPs and local residents in Belgrade, Bujanovac, Kragujevac, Kraljevo, Niš, and Novi Sad in Serbia, and Podgorica and Berane in Montenegro. A modified version of the Household Economy Analysis (HEA) methodology was used. In addition, interviews with stakeholders and consultation of secondary data helped to inform the analysis.

Some important findings of the Household Economy Assessment have been summarised below, to highlight the ICRC's serious concerns regarding the unmet humanitarian needs amongst the IDP population in Serbia-Montenegro:

- Recent data is lacking on the numbers of IDPs living below the Minimum Social Security Level (MSSL) and on the number of IDPs living between the MSSL and the official Poverty Level.
- As well as the lack of recent data, the Survey of Living Standards in Serbia (2003), upon which the Poverty Reduction Strategy Paper is based, did not consider the IDP or refugee populations. Data from Montenegro (also 2003) suggests that 60% of Roma IDPs and 48% of non-Roma IDPs are living below the Montenegro Poverty Level. This means that 54% (8,945 people) of the displaced population is currently living in poverty. If one takes the same Poverty Line as used in Montenegro, then the total number of IDPs living in poverty would be 103,318. Income and expenditure levels are not found to be markedly different between Serbia and Montenegro. These figures need to be confirmed by a comprehensive survey in Serbia, but there remains no doubt that thousands of IDPs remain extremely vulnerable.
- Despite some improvement in macroeconomic indicators, it seems that conditions for the poorest of the displaced and local populations have become worse. This is influenced by the high unemployment rate and slow progress of the process of privatisation of state-owned companies, which will anyway always be a contributing factor in creating job losses, during the first phases. For the displaced, additional factors include the erosion of assets, the inability to access and to sell off property in Kosovo, difficulties in accessing social services (caused for many by lack of documentation and bureaucratic intransigence), the closure of collective centres and a scaling back of humanitarian assistance.
- The National Strategies for dealing with the Problems of Refugees and IDPs in both Serbia and Montenegro include measures planned to

facilitate return to Kosovo and to provide compensation for property damage or loss. While these plans are welcome, these durable solutions are given priority over local integration of IDPs, although at least in the short to medium term, integration seems to be the only possible solution for most IDPs.

- IDPs in both Serbia and Montenegro are effectively unable to exercise their rights as citizens, which worsens their vulnerability. They are under represented on the lists of social welfare assistance (Materijalno Obezbedjenje Porodice or MOP) as compared to local residents. In Montenegro, IDPs are not eligible for any regular form of government assistance and are effectively excluded from the formal labour market. Many IDPs lack residency, and have difficulty obtaining secure access to housing. These issues need to be urgently addressed.
- There is some evidence that IDPs are more vulnerable than refugees. This is due in part to the fact that refugees (primarily from Bosnia Herzegovina and Croatia) have been living in Serbia and Montenegro for longer than the IDPs, are better educated than IDPs, and are able to secure their rights through obtaining citizenship. However, further research into the comparative vulnerability of refugees and IDPs is needed.
- The closure of official collective centres (which are subsidised) has resulted in a displacement of poverty. IDPs obliged to live in private accommodation may actually have less income available for basic expenses than those living in subsidized centres.
- Detailed analysis of the resource flow dynamics of IDP and resident households reveals that very few households actually live below the MSSL level. However, given the living conditions of the poorest of the poor, they should still be considered to be extremely vulnerable and in need of social welfare support. This is particularly the case with Roma IDPs, although the poorest non-Roma are also at risk.
- Poor IDPs are almost completely dependent upon the 'grey economy' (i.e. unregulated, unreliable, and uninsured employment). Rural-based (mostly non-Roma) IDPs derive some income from farm production, whereas urban-based Roma IDPs support themselves largely through recycling garbage and consumption of discarded items.

3.2 Profile of Poverty

Since the end of the NATO air strikes and the electoral defeat of President Slobodan Milosovic in 2000, Serbia and Montenegro have experienced modest economic improvement at the macro level. Inflation also dropped from 18% to 11.2 % between 2002 and 2003. However, the Household Economy Assessment explains that beneath these promising macro-economic trends lies a more disturbing picture of life for the poorest of the poor. Unemployment rose from 28% in 2002 to 34.5% in 2003 and in 2005, as many as 130,000 jobs are expected to be lost as a result of the restructuring or privatisation of eight public companies.

For both IDPs and local poor residents, factors contributing to the decline include:

- The slow pace of privatisation of government owned companies makes the situation even worse, as the issue of existing unemployment is not compensated by any of the economic benefits that are supposed to arise from privatisation.
- General unemployment has enhanced competition for jobs and driven daily wage labour rates down. In 2004, the Montenegrin administration ruled that employers who hire refugee and IDP workers must pay a € 2.5 per day surtax (a measure intended to encourage local workers to register themselves in the formal sector rather than support themselves in the grey economy). This has effectively closed the door to the formal sector for refugees and IDPs. The IDP Working Group recommends that the authorities of the Republic of Montenegro consider amending the Decree on Employment of Non-resident Physical Persons and the Law on Employment, within which the surtax is legislated.
- There has been a significant reduction in the amount of humanitarian assistance available, as many Non Governmental Organisations (NGOs) have scaled back or withdrawn altogether from assistance to IDPs.
- What assets IDPs had when they were first displaced have been eroded, and little progress has been made in enabling those with property in Kosovo to sell or receive compensation for it.
- Collective centres are in the process of being closed down without addressing the long-term accommodation needs of IDPs. According to CfR data in February 2005, 122 official collective centres are still open in Serbia, out of which the State plans to close down 52 by the end of 2005. While some alternative rent-free or subsidized housing is being constructed for refugees and local residents, IDPs have not benefited as much from these efforts. New house construction is not being carried out on a scale large enough to accommodate all who must vacate the collective centres.
- The under representation of IDPs on social welfare services lists already referred to, excludes them from a range of social welfare provisions. While the level of service is very limited for IDPs as well as for Refugees and resident poor, the IDPs continue to face additional difficulties in qualifying at all. IDPs continue to face difficulties in

qualifying for many forms of social support (particularly MOP support and child allowances) due to a lack of documentation.

- There is an additional issue for IDPs in that many forms of social support (such as employment compensation for those who worked in the public service sector in Kosovo) are offered only at a significantly reduced rate to that potentially otherwise available.

The poorest part of Serbia is the southeast, where high unemployment has driven younger adults out of the rural areas and into the cities of Niš and Belgrade, as well as into the grey market economy, subsisting on daily wages, petty trade, and other unregulated and irregular forms of income generation. However, according to the Poverty Reduction Strategy paper (PRSP), this part of the country has also experienced the largest increase in the living standard, which suggests the flexibility of the informal sector in absorbing new workers even if at extremely low rates of pay.

In Montenegro, the north is significantly poorer than the central and southern parts of the country, and it is in the north that most IDPs from Kosovo have settled. This rugged, mountainous area provides few income generation opportunities during the six months of winter conditions, and many households must send members to the coastal areas for several months a year to find daily labour to support the family.

4. Legal and Protection Issues

While there is a limited likelihood of the IDPs being able to return to Kosovo in the foreseeable future, the ICRC has maintained its *residual responsibility*, to take care of this population, in a difficult social and economic environment, which also exposed certain categories of IDPs, in particular women, children and minority groups, to pressures of a protection nature too.

4.1 Status of IDPs in Serbia and Montenegro

In Serbia and Montenegro, IDPs face difficulties in exercising their full rights as citizens. In Serbia, in the absence of a government body with a specific mandate for protecting and assisting IDPs, the Commissariat for Refugees has taken on some of these responsibilities.

National Strategies for dealing with the problems of Refugees and IDPs have been ratified in both Serbia (May 2002) and Montenegro (March 2005). The total cost of implementing the projects contained in the strategies is estimated at € 480 million and € 100 million, respectively. In Serbia, donations towards implementation of the policy have been slow in coming. In Montenegro, a donors' conference is expected to be held in the spring of 2005. Neither strategy takes on the important issues of housing, employment, regularization of status, and access to health insurance for IDPs.

In Serbia the Implementation Programme for the National Strategy focuses only on refugees. The Strategy itself focuses primarily on return to Kosovo as the preferred solution for IDPs, and gives little attention to integration issues. Similarly in Montenegro, although mention is made of finding durable solutions for the internally displaced, the most emphasis is placed on facilitating return to Kosovo or onward movement to Serbia or elsewhere.

The overall implication for IDPs and refugees is that many are unable to access the same status and services as their fellow citizens. This includes issues such as being able to obtain personal documentation, exercise property rights, access health care or social welfare provision. This leads to a multi-dimensional kind of poverty, consisting of both income poverty and lack of access to services and equal treatment under the law.

4.2 Special Concerns for IDPs in Montenegro

In Montenegro, the Government structure has issued different policies concerning refugees and IDPs than Serbia. IDPs are considered by the Government of Montenegro to be citizens of Serbia. Thus, they are not granted permanent residence unless they were born in Montenegro, or owned property prior to being displaced from Kosovo. Montenegro gives priority to Republican citizenship over State citizenship. Montenegrin citizenship can only be granted after ten years of permanent residency, and thus is obviously not an option for IDPs, although many refugees from Bosnia and Croatia have been able to obtain citizenship. However, as pointed out in the IDP Working Group's Analysis of the Situation of Internally Displaced Persons from Kosovo in Serbia and Montenegro: Law and Practice, "IDPs are citizens of Serbia and of Serbia and Montenegro as set out in Article 8 of the Constitutional Charter of the State Union of Serbia and Montenegro."

IDPs and refugees in Montenegro are only given temporary residency cards through the Montenegro Commissariat for Displaced People (MCDP). Therefore it is practically impossible for IDPs to meet the requirements for citizenship.

Because they are considered to be residents of Serbia, protection and assistance of IDPs are considered to be Serbia's responsibility. Serbia, however, considering Montenegro to be part of its union and thus IDP needs to fall within the mandate of the Montenegro administration, does not provide assistance to IDPs living in Montenegro. Lacking resident status, IDPs in Montenegro cannot register property or trade activity. They cannot receive unemployment assistance and there is no regular programme to assist the most vulnerable, who may typically include single mothers, the destitute elderly, the disabled, orphans and others.

Montenegro does, however, provide free primary health care (primary health care only is also provided to local residents) and primary and secondary education to IDPs. UNHCR provides some assistance on a case-by-case basis to IDPs who require specialist medical treatment in Serbia (in most cases the assistance covers transport to Serbia only, as treatment is assumed to be available for free there). The Commissariat for Displaced Persons provides one-time assistance to respond to the most urgent cases, but is seriously under-resourced and thus is not in a position to provide long-term care to any of the displaced even if the political will was there to provide support.

The 2000 Decree on Non-Recognition of Federal Decisions passed by the Montenegrin Parliament stipulates that Montenegro shall not recognize legislation passed by the Federal State that has not been approved by "lawful and legal representatives of Montenegro." Therefore, Montenegro recognizes neither the Law on Protection of Rights and Freedoms for National Minorities nor the National Roma Strategy.

4.3 Documentation Difficulties

Although IDPs in Serbia are legally entitled to the same rights and services as other citizens, in practice many displaced people are not able to access this social protection because they lack documentation proving their status as IDPs, their basic identity, or their levels of employment. In many cases this is due to the logistical and financial difficulty in obtaining or replacing documentation from municipal offices in exile, which were moved from Kosovo to southern Serbia after 2000. In addition, the heavy bureaucratic process and an apparent unwillingness on the part of some municipalities to help facilitate IDPs efforts to obtain documentation, thwarts efforts by IDPs to regularize their status. As noted by the IDP Working Group in 2004, "a citizen without basic identity documents is a marginalized citizen, incapable of exercising rights and fulfilling duties, benefiting from services and participating in society politically, economically and socially."

To give an example of the bureaucratic maze that IDPs must navigate to apply for basic services, up to 17 types of documentation may be required in order to be considered for Family Financial (MOP) Support.

A disproportionate number of those without documentation are Roma, and many Roma were not registered even before they were displaced. The Norwegian Refugee Council estimates that 30-35% of Roma have never been registered. There is at present no legal mechanism for the chronically unregistered to become registered. Those attempting to register have to perform a very time-consuming and complicated procedure of "subsequent registration". Specialised organizations reveal that these cases are in fact very rarely solved successfully.

With particularly high levels of illiteracy, and lack of familiarity with documentation, Roma are largely excluded from eligibility for social services. Lack of documentation effectively renders Roma stateless.

4.4 Eligibility for State Support

In Montenegro, IDPs are not eligible to receive MOP assistance. For this reason, ICRC's Cash Assistance Programme (CAP) in Montenegro did not carry with it the potential for government to assume eventual responsibility for assisting the most vulnerable IDPs (although the Government of Montenegro did cover 50% of the CAP programme costs), while in Serbia where IDPs are eligible to receive MOP benefits, the principle of transferring the caseload to the government's social welfare system was instrumental in the project design.

A crucial element in determining eligibility for MOP support is a home visit by staff of the Centres for Social Welfare (CSW). The CSW workers are given a 'discretionary right' to evaluate the living conditions of the applicant and to accept or reject the application based on their subjective determination of whether the family is truly needy. There is criticism that the evaluators' determinations can unfairly disqualify some people who should be included. Staff at Centres for Social Welfare may also find it much more difficult to follow up IDP applications for MOP support than those of local residents because IDPs move their residences frequently, making home visits more time consuming and expensive. Because they cannot afford to hire additional staff or to pay incentives to staff to conduct these visits, many cases that were referred from ICRC's Cash Assistance Programme were not fully followed through, and were rejected on the basis of other criteria than the home visit.

There is widespread agreement that the MOP programme is unable to meet the needs of all of those in poverty, even among local residents. Some also expressed concern that if a large number of IDPs were to be given support suddenly, without a corresponding increase in service coverage to local residents, tensions between the two groups would likely increase.

The Household Economy Assessment considered both official and non-official sources of income and of expenditures. This demonstrated that even the poorest households frequently have a higher income level than that indicated by MSSL. However, it is also clear that it is practically impossible for a household to live at or below the MSSL level. However, it is equally clear that for those households living close to the MSSL, which have been able to survive until now, the slightest change in their fragile situation or in the wider economy, can precipitate them into destitution.

5. The ICRC Assistance Approach

5.1 Cash Assistance Programme Description

The CAP was launched in 2004 to assist the IDPs from Kosovo who are living in destitution with an official monthly income below the Minimum Social Security Level (MSSL).

Serbia

In Serbia, the programme was designed together with the Ministry of Labour and Social Affairs (MoSA), the Commissariat for Refugees (CfR) and the Serbian Red Cross (SRC), in order to find a durable solution to assisting the most vulnerable IDP households.

The CAP provided 30 euro per family per month to the 6000 of the most vulnerable IDP families with the caseload being progressively handed over to the MoSA at a forecast rate of 500 families per month over a period of 12 months. The aim was that at the end of 2004, those families who fulfilled the criteria set by the MoSA would be assimilated into the republic's social welfare system receiving regular long-term social protection. Application committees, consisting of representatives of MoSA, CfR and SRC identified the CAP beneficiaries through an application and screening process.

The programme was overseen by a Working Group that met on a monthly basis to identify families to be screened by the centres for social welfare. The Working Group, consisting of representatives of MoSA, CfR, ICRC and SRC also provided technical support to the programme. This included compiling and distributing lists of CAP beneficiaries and families, to be screened by the centres for social welfare, as well as by following up the flow of funds to the final beneficiaries.

The main challenge to the success of the programme lay in the ability of IDPs to meet documentation requirements for inclusion into the State's social welfare system. More precisely, up to 17 documents were needed to prove eligibility for social protection, not easily obtainable by IDPs. Negotiations with the newly established Minister of Social Affairs have attempted to relax the documentation requirements for IDPs.

Montenegro

In Montenegro, 1'500 most vulnerable IDP families were assisted with 30 Euro per month in cooperation with the Ministry of Labour and Social Welfare and Commissariat for Internally Displaced Persons of the Republic of Montenegro. The Ministry is contributing to the Cash Assistance Programme by the matching funds, while payments are being effected through the Commissariat. However, IDPs were not to be included in the social welfare system due to the fact that they are not recognised citizens of Montenegro. The programme ended in December 2004.

5.2 Micro-economic Initiatives Description

The purpose of the Micro-economic Initiatives in Serbia and Montenegro was to explore alternatives to food-aid as a form of assistance to IDPs. The goal was to provide sustainable forms of economic support and to help people become socially and economically secure within their new communities. The expected outcome was, for the majority of the beneficiaries, to measurably increase their opportunities for sustainable improvement in their livelihood, therefore allowing them to live in dignity while in displacement. A less tangible outcome was that the beneficiaries felt empowered and so more in control of their lives.

5.2.1 Grants Programme

A Micro-economic grant can be defined as; a donation of one or many productive inputs attributed to a selected vulnerable beneficiary household, in the anticipation that the inputs will help the beneficiary achieve higher incomes. The ICRC Grants Programme potentially targeted hundreds of different economic activities. In this form, the programme was able to take into consideration the personal profile (skills, profession, education) and geographical location (urban or rural) of most IDPs, and therefore respond in an efficient fashion to their needs. The selection criteria related to four key parameters: vulnerability, motivation, skills and resources. This programme ended in December 2004.

5.2.2 Micro Credit Programme

The Micro Credit Programme was seen as a way to assist entrepreneurial IDPs to initiate or expand a business. This would ultimately generate profits and employment for their extended families, and for the IDP community in general. Micro Credit was found to be a significant catalyst in integrating IDPs into local communities when they provided a useful service to the resident population. The benefit to the IDP community also included successful role models. Micro credit programs use different beneficiary criteria than grant programmes. The ability of the loan recipient to repay the loan is of prime importance to the sustainability of micro credit projects. In this project, loan eligibility was based on both IDP status, and their ability to pay. The programme was implemented through a specialised, local micro-finance institution or MFI. Apart from offering small loans for economically active IDPs, another objective for the programme was to develop and strengthen the selected MFI partner's outreach in terms of the depth in reaching the poor, as well as the quality and appropriateness of services they provided. Direct implementation of this programme ended in December 2004. However the partner MFI continued to issue loans from the ICRC revolving fund in January and February 2005. Based on the findings of the Micro Credit Programme Review, the ICRC will decide whether to either donate the revolving fund amount in full or part, or to take it back in full from the MFI.

5.2.3 Vocational Training Programme

The aim of this programme was to upgrade the skills and resources of the selected beneficiaries and enhance their chances to find permanent employment on the local labour market or within their own business. The programme was implemented through the local educational institutions,

known as "peoples universities" and other private institutions certified by the Ministry of Education. During the course, participants were provided with relevant literature and curriculum, as well as with the theoretical classes and practice. Final exams were organised and diplomas awarded to successful trainees. The criteria for selection, and other tasks related to implementation of the programme, were similar to those defined for the Grants Programme. Fulfilment of the criteria was judged during the household economy interview with potential beneficiaries, which is the most important element of the selection process. This programme ended in December 2004.

5.3 Effectiveness of the ICRC Assistance Approach

The total outputs of the Cash Assistance Programme and Micro-economic Initiatives implemented between 2001 and 2004 are as follow:

Cash Assistance Programme: In 2004, assisted for one year almost 6,000 IDP households in Serbia and 1,500 households in Montenegro.

Grants Programme: Between 2001 and 2004, provided in kind grants to 3,279 IDP households in Serbia-Montenegro.

Micro Credit Programme: Between 2002 and 2004, dispersed loans to 416 IDP households in Serbia-Montenegro.

Vocational Training Programme: Between 2002 and 2004. provided access to professional training for 897 IDP households in Serbia-Montenegro.

The effectiveness of these four programmes is described in the following points:

- Despite difficulties found in the first stages of implementation, the Cash Assistance Programme, the Grants Programme, the Micro Credit Programme and the Vocational Training Programme were found to be relevant, effective and appropriate interventions in this context of transition.
- The approach was relatively new for the ICRC, and testing it showed, that adjustments were needed, in particular with regard to the time frame, which was too short to maximise the long-term impact for the beneficiary household. A time frame of three to four years is the most beneficial.
- The combination of two or more of the four project instruments (such as Cash Assistance and also a Micro-economic input, such as an in kind Grant) for the same beneficiary group maximises overall effectiveness and coherence, even with reduced coverage. The combinations, sequencing, and targeting of the four programme instruments could be examined further.

- Essential factors for programme success are the capacities, training, motivation of staff and their proximity to the beneficiary, especially with regard to the most vulnerable beneficiaries.
- The relationship with the branches of the National Red Cross Society has also been instrumental in programme success in reaching the most vulnerable.
- Using the bottom-up approach increases the effectiveness of the programme, beneficiary ownership and involvement in designing and implementing MEIs.
- Special programme provision for very vulnerable target sub groups, such as Roma, has been valuable and could be built upon effectively through a strategic approach of cooperation with government, campaigning organisations, the international community and the Roma groups themselves.
- Assessment should consider household expenditure and consumption levels in addition to formal and informal income. Additional factors should include psychosocial well-being, the level of integration with local communities, access to social services, and beneficiary involvement in work that brings dignity and empowerment.
- The use of pilot phases is valuable for guiding the longer term planning of these types of programmes.
- A comprehensive IDP census and survey of household income and expenses, using the methodology used by the Survey on Living Standards of the Population should be conducted in Serbia. Special efforts should be made with regard to registration and assessment of living conditions of Roma and other minority groups in Serbia-Montenegro.

The Cash Assistance, Grants, Micro Credit and Vocational Training Programmes implemented by the ICRC between 2001 and 2004, are found to have not only saved the most vulnerable IDPs from unacceptable hardship, but conversely restored or maintained their dignity, hope and self worth. By allowing the IDPs to emerge from anonymity, to recover their personality and to develop normal human relationships and interactions with the local population, these programmes also served to protect them. Furthermore, the ICRC's attempts to restore the IDPs self reliance, significantly reduced the need for local assistance, and though modest, the injection into local exchanges of the resources made available by the programmes to the beneficiaries, led the local population to adopt a more mutually supportive attitude and greater solidarity during difficult and uncertain times.

6. Recommendations

Recommendation 1. Continued specific humanitarian needs of the IDP population persist, and this within the seemingly increasing needs of the overall vulnerable population in Serbia and Montenegro. Measures to be taken should involve:

- The State and its relevant authorities to take ownership of the inter-agency IDP Working Group "Legal Gap" report and to take precise actions based on the practical recommendations made in the report.
- The donor community to consider support to these actions of the relevant authorities.
- The donor community to continue its valuable support to existing and new specialist organisations and NGOs, which are able to complement the efforts of government, in tackling the issue of the "legal gap" defined in the report.

Recommendation 2. A comprehensive census and survey of household income and expenses, using the methodology used by the Survey of Living Standard of the Population should be conducted in Serbia. Special efforts should be made to register Roma IDPs, and to collect data related to their living conditions. The international community should provide support to the Commissariat for Refugees (the government body with de facto responsibility for IDPs), or to an independent body with sufficient capacity, to conduct this exercise.

Recommendation 3. In Montenegro, the surtax (€ 2.5/day) that employers must pay to hire refugee and IDP workers should be repealed.

Recommendation 4. Assistance to IDPs should be integrated with assistance to destitute refugees and local residents in order to meet the general needs of the poorest segments of society and to minimize risks of tension between groups.

Recommendation 5. Durable solutions to IDPs' housing problems should be found, through construction of low-cost housing and granting of residency to IDPs throughout Serbia and Montenegro.

Recommendation 6. Roma local and IDP populations face particularly severe social exclusion and discrimination by the general public, government, and international organisations. Roma living conditions are by far the worst of any population group in Serbia and Montenegro when measured by any indicator (including income, housing conditions, health, and education). Working to help the plight of the Roma requires a strategic approach, coordination between government, the international community, and members of the Roma community.

Recommendation 7. Effective support to the medium and longer-term needs of the vulnerable, in this case IDPs, is achievable through Cash Assistance

and Micro-economic Initiatives. These may be continued and replicated to good effect in meeting vulnerability and poverty in the short to medium term.

- The donor community should consider support to new initiatives using the livelihood approach and to support existing organisations that are already experienced in providing a range of Micro-economic Initiatives, including; grants, micro credit and vocational training.
- The ICRC is willing to provide technical advice and guidance to help other organisations to benefit from its experience and the valuable lessons it has learned in this type of assistance.

