

Croatia: Post Conflict Reconstruction



Economic and social revitalization and reintegration of Croatia's war affected and disadvantaged areas

Overview

The Croatia Social and Economic Recovery Project (CSERP) is a multi-sectoral project that supported the socioeconomic development of Croatia's war-affected areas, or 'areas of special state concern'. The project improved the livelihoods of the rural populations – domiciled populations, returnees, displaced persons, minorities, and settlers – in 13 counties by providing matching grants to support small- and medium-sized enterprises (SMEs), generating new employment and additional revenues, reducing landmine contaminated areas, and shrinking regional disparities between the lagging areas. Over 84,000 people benefitted from the project activities.

Challenge

In early 2000, five years after the end of hostilities, war-affected areas still suffered from limited attention to their economic recovery and social integration programs in the areas to which refugees were returning. The bleak economic situation, unemployment, damaged or destroyed infrastructure, and landmine contamination in the post-conflict areas were the main impediments to sustainable well-being of the war-affected groups. In addition, in 2005 when the CSERP started its implementation, there was insufficient administrative capacity at local levels for planning and implementation of their Regional Operational Programs (ROPs), which every county needed to prepare by the end of 2005. ROPs are standard planning instruments for identifying the development vision and public investment priorities at the county level, and are prepared in line with principles of EU structural funds.

Approach

The CSERP was designed to address Croatia's post-conflict agenda and emphasized a bottom-up and demand-driven approach. Through provision of grant funds, it supported the development of SMEs, cooperatives, and craft activities, as well as employment initiatives. It also provided grants to municipalities, communities, NGOs, and local organizations such as kindergartens, schools, youth organizations, centers for the elderly, libraries, social welfare institutions, and

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More Results



427

sub-projects were successfully completed in 2005 – 2010

84,000

people directly benefitted from the completed sub-projects

cultural centers in order to increase social inclusion through improved access to community based services by war-affected and disadvantaged people. The project supported the rehabilitation of small-scale social and economic infrastructure in the areas of return, and demining activities in 12 of the 13 counties. It financed capacity-building and training of national, regional, and local authorities, as well as local stakeholders in support of regional development approaches, in line with EU principles.

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- » World Bank in Croatia
- » CROMAC - Croatian mine action centre

Results

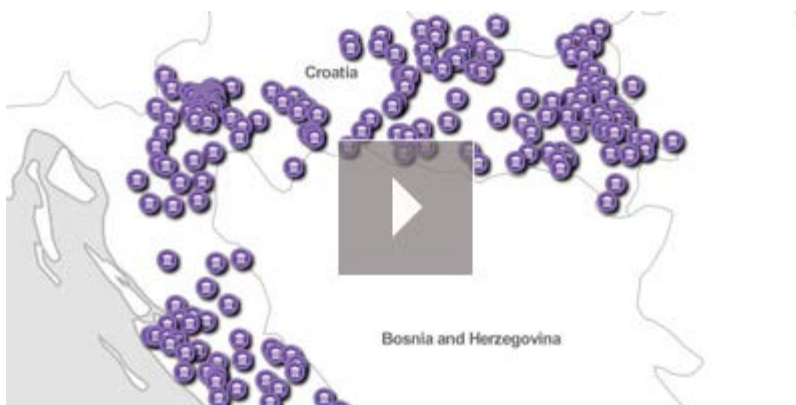
The CSERP closed on December 31, 2010, with the development objective *to support the economic and social revitalization of disadvantaged and war-affected areas as a way to increase social inclusion* fully met. The project's results in the 13 counties that fall under the category of 'areas of special state concern' are manifold. In particular:

- A total of 427 sub-projects were successfully completed: 125 for social inclusion; 67 for small community infrastructure; and 211 in support of SMEs, crafts, and cooperatives;
- Over 84,000 beneficiaries residing in the areas of special state concern directly benefitted from the completed sub-projects;
- Thanks to the grants, 1,341 new jobs were created and €11 million in additional revenue were generated by the SMEs, crafts activities, and cooperatives.
- In all, 763 women were directly employed and 33,269 women were beneficiaries.
- 12.2 km² of agricultural land was demined and is now ready for cultivation and harvest, and people can safely use their land without fearing for their lives;
- 5,000 officials and civil society representatives were trained through a series of workshops in strategic regional planning, cost management, project management, business plans, and procurement;
- ROPs were developed for four counties. In addition, project operational manuals were revised to meet the requirement needed for the EU pre-accession grant funds.

Of note, the demand for financing of sub-projects substantially exceeded available funds. For example, it was possible for only every 7th request for small community infrastructure sub-projects to be financed.

Map

Click to see project locations mapped:



Bank Contribution

The total project costs are EUR60 million – EUR35 million was funded by the Bank and EUR25 million by the Government of Croatia. Specifically, the Bank's grant funds to community-based activities – social inclusion, economic revitalization, and small community infrastructure sub-projects – amount to EUR25.4 million, demining activities to EUR8.5 million, and EUR1.1 million to capacity building, training, and project management activities.

Partners

The Ministry of Regional Development, Forestry, and Water Management demonstrated strong ownership throughout project implementation, and a multi-sectoral partnership was established at the central level with other line ministries, including agriculture, rural development, economy, environment, infrastructure, economy, and family. At the regional level, the Ministry worked closely with county institutions, regional development agencies, municipalities, communities, the private sector, and NGOs. Excellent coordination was established with the EC Delegation to Croatia as the EC also supported development of county ROPs other than those financed from the CSERP. In addition, given the field presence of both UNHCR and UNDP and their knowledge of the beneficiaries, the representatives of both agencies served as observers in the regional approval committees for the selection of the grantees. UNDP replicated the CSERP design and obtained the Dutch Government funding of US\$3.5 million to complement CSERP activities in the three counties.

Moving Forward

Though the project was closed end December 2010, the Government of Croatia has secured funding for CY2011 to support completion of some ongoing community investment sub-projects.

Beneficiaries

The Ministry has received "thank you" letters and requests for continued support from seven counties, 130 municipalities, and 70 grantees. A beneficiary assessment was completed in September 2010. *"This project was more than successful, now we have one of the most beautiful buildings in the surrounding area. It is occupied almost every day: with various associations' activities, fire department meetings, women's clubs..., there is always something happening here on weekends. We, as local authority, plan to carry out lectures and presentations here because it is really nice space now."* — Local official, 56, on rehabilitation of a community center.